

1 IN THE UNITED STATES DISTRICT COURT

2 FOR THE DISTRICT OF DELAWARE

3

4 AMERICAN CRUISE LINES, INC., )  
5 Plaintiff, )  
6 ) C.A. No. 13-324-RGA  
7 v. )  
8 )  
9 HMS AMERICAN QUEEN STEAMBOAT )  
10 COMPANY LLC, and AMERICAN )  
11 QUEEN STEAMBOAT OPERATING )  
12 COMPANY, LLC, )  
13 )  
14 Defendants. )

15  
16 J. Caleb Boggs Courthouse  
17 844 N. King Street  
18 Wilmington, Delaware

19  
20 Friday, October 26, 2018  
21 1:32 p.m.  
22 Pretrial Conference Hearing

23  
24 BEFORE: THE HONORABLE RICHARD G. ANDREWS, U.S.D.C.J.

25 APPEARANCES:

26 STEPHEN J. KRAFTSCHIK, ESQUIRE  
27 MORRIS NICHOLS ARSHT & TUNNELL LLP

28 -and-

29 DAVID WILLIAMS, ESQUIRE  
30 CHARLES L. SIMMONS, ESQUIRE  
31 MICHAEL R. NACCARATO, ESQUIRE  
32 TAYLOR W. BECKHAM, ESQUIRE  
33 GORMAN & WILLIAMS

34  
35 For the Plaintiffs

36 Heather M. Triozzi  
37 Official Court Reporter

1 APPEARANCES CONTINUED:

2  
3 DANIEL M. PEREIRA, ESQUIRE  
SCHNADER HARRISON SEGAL & LEWIS LLP

4 -and-

5 DENNIS D. MURRELL, ESQUIRE  
BRIAN P. McGRAW, ESQUIRE  
6 MIDDLETON REUTLINGER

7 For the Defendant

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01:32:56 1 THE COURT: All right. Good afternoon. Please  
01:32:58 2 be seated.

01:33:00 3 (Everyone said, Good afternoon, Your Honor.)

01:33:00 4 THE COURT: Actually off the record. All right.

01:33:19 5 So good afternoon. Why don't we have on the  
01:33:21 6 record who's here for American Cruise Lines versus HMS  
01:33:27 7 American Queen Steamboat Company, Number 13-324.

01:33:31 8 For plaintiff, Mr. Kraftschik.

01:33:33 9 MR. KRAFTSCHIK: Yes. Good afternoon, Your  
01:33:35 10 Honor. Stephen Kraftschik for Morris Nichols.

01:33:37 11 I have with me, David Williams, Charlie Simmons,  
01:33:40 12 Michael Naccarato, and Taylor Beckham from Gorman &  
01:33:42 13 Williams. I have from my firm, Jack Lyons.

01:33:46 14 THE COURT: Okay. All right.

01:33:48 15 MR. PEREIRA: Good afternoon, Your Honor.

01:33:49 16 Daniel Pereira. From Schnader Harrison Segal & Lewis with  
01:33:53 17 me are Brian McGraw and Dennis Murrell from Middleton.

01:33:56 18 MR. MURRELL: In the proper order on your  
01:33:59 19 sign-in sheet, Your Honor.

01:34:00 20 THE COURT: I was going to say the way  
01:34:03 21 Mr. Pereira said it, but you are Mr. Murrell?

01:34:05 22 MR. MURRELL: I am.

01:34:08 23 MR. KRAFTSCHIK: We tried to be careful.

01:34:10 24 THE COURT: For some reason or another, I'm  
01:34:12 25 better able to remember who you are.

01:34:14 1                   Okay. So I had a few things here. First thing  
01:34:20 2 is this, so we've got right now the jury selection scheduled  
01:34:26 3 for Friday morning, January 4th. Unfortunately, something  
01:34:32 4 has come up. I can't do it on Friday morning of  
01:34:36 5 January 4th.

01:34:37 6                   I can do it Thursday. I can do it the Friday  
01:34:43 7 afternoon, but I can't do it on Friday morning. My  
01:34:53 8 preference would be to try to do it on Thursday, but --

01:35:00 9                   MR. MURRELL: So I have a final pretrial in  
01:35:03 10 another case that I just got the Court to move it back to  
01:35:06 11 Wednesday. It's in Eastern Kentucky. Getting here from an  
01:35:10 12 afternoon day to a morning here is almost impossible. And  
01:35:14 13 so I would prefer to do it Friday afternoon just because I'd  
01:35:17 14 have to call my Court back again, and it's another federal  
01:35:20 15 court and ask them to move it again.

01:35:21 16                   THE COURT: Well, so I don't want to impose on  
01:35:24 17 you or the Court like that. How about if we did it on  
01:35:27 18 Thursday afternoon?

01:35:28 19                   MR. MURRELL: Oh, I could get here Thursday  
01:35:30 20 afternoon.

01:35:31 21                   THE COURT: Why don't we do -- Mr. Simmons, did  
01:35:34 22 you want to --

01:35:35 23                   MR. SIMMONS: Well, I was going to say, Your  
01:35:37 24 Honor, would there be an opportunity to utilize Friday  
01:35:40 25 afternoon for whatever in the case, either openings if we

01:35:45 1 haven't gotten those done on Thursday and pick up some  
01:35:48 2 testimony?

01:35:48 3 THE COURT: I don't think it would be for  
01:35:49 4 openings. If it turns out that there are issues, and I'm  
01:35:54 5 sure there will be, yeah, I'm available Friday afternoon.  
01:35:59 6 And that's part of the reason why I was actually thinking  
01:36:03 7 Thursday would be better was just so that we could do  
01:36:06 8 whatever fine tuning would be useful after that.

01:36:10 9 All right. So why don't we say one o'clock on  
01:36:15 10 the Thursday. That would work for you, Mr. Murrell?

01:36:18 11 MR. MURRELL: Can I look at flight schedules  
01:36:20 12 really quickly --

01:36:21 13 THE COURT: Yes.

01:36:22 14 MR. MURRELL: -- just to make sure?

01:36:33 15 THE COURT: While he's doing that, Mr. Kraftschik,  
01:36:35 16 I'm designating you to write up an Order.

01:36:39 17 MR. KRAFTSCHIK: Yes, Your Honor.

01:36:40 18 THE COURT: Okay.

01:37:14 19 MR. MURRELL: Because I can get here by  
01:37:16 20 11:00 a.m. to Baltimore. Let's see Philly.

01:37:21 21 MR. WILLIAMS: So we figure it's about an hour  
01:37:24 22 and a half from Downtown Baltimore.

01:37:27 23 THE COURT: I could say 1:30 rather than 1:00.

01:37:31 24 MR. MURRELL: The earliest flight from Southwest  
01:37:33 25 is 1:20, but I could get to Baltimore before 11 so I could

01:37:37 1 be here by 1:00.

01:37:38 2 THE COURT: Well, why don't we say 1:00. And if  
01:37:40 3 it turns out your flight is a little delayed, that will not  
01:37:44 4 be a problem.

01:37:44 5 MR. MURRELL: Okay. Thank you.

01:37:47 6 THE COURT: All right. So that was the first  
01:37:56 7 thing.

01:37:57 8 So the next thing is -- well, I guess the -- so  
01:38:07 9 actually the next thing is, as I was looking at the jury  
01:38:12 10 instructions and at the verdict form, and one thing that I  
01:38:21 11 was -- and I was also considering the plaintiff's suggestion  
01:38:28 12 that there was not enough time here. And I was also  
01:38:33 13 considering my own concern that things are too complex, and  
01:38:43 14 so I was considering all those things.

01:38:45 15 And I went back and looked at the Order. I  
01:38:53 16 forgot what you call it, but the Stipulated Order as to when  
01:38:57 17 we were going to have this trial on. And so the Stipulated  
01:38:59 18 Order refers to counts that have common law trademark,  
01:39:03 19 unfair competition, violations of Delaware Uniform Trade  
01:39:12 20 Practices Act. And somebody, I believe the defendant, said  
01:39:15 21 in one of the many things I looked at, something to the  
01:39:18 22 effect of -- actually I think you said it in connection with  
01:39:24 23 jury instructions.

01:39:28 24 And you didn't say it like this, but why are we  
01:39:30 25 messing around with all of these things? Shouldn't this

01:39:34 1 trial be your, the plaintiff's federal trademark claims and  
01:39:42 2 defenses, and the defendants' federal trademark claims and  
01:39:47 3 defenses? And wouldn't that resolve -- it may not do all  
01:39:53 4 the remedies, but wouldn't that resolve common law  
01:39:57 5 trademark, and unfair competition, and the Delaware Uniform  
01:40:07 6 Trade Practices Act?

01:40:07 7 MR. WILLIAMS: I think you've hit it right with  
01:40:09 8 the remedies. I think that's one area of difference.

01:40:12 9 THE COURT: But remedies, I mean, some of those  
01:40:14 10 things are equitable remedies. That's not going to be a  
01:40:17 11 jury thing anyhow. That if what I took from what the  
01:40:21 12 defendants said -- but that's part of the reason I'm  
01:40:26 13 bringing it up was that essentially in terms of liability,  
01:40:30 14 deciding the federal trademark issues decides the liability  
01:40:36 15 for each of these things.

01:40:41 16 MR. SIMMONS: For the most part.

01:40:42 17 MR. WILLIAMS: We think that the proof will be  
01:40:45 18 pretty much the same for the liability case.

01:40:49 19 THE COURT: Well, so I guess what I'm wondering  
01:40:52 20 is, and I say this with nobody having submitted any jury  
01:40:59 21 instructions for unfair competition, Delaware Uniform Trade  
01:41:05 22 Practices Act, and hardly any for common law trademark  
01:41:09 23 infringement, to the extent that the -- can't we essentially  
01:41:17 24 stipulate that if that -- to the extent one side or the  
01:41:22 25 other or somebody wins on federal trademark claims that

01:41:27 1 they -- essentially the parties stipulate to, they win on  
01:41:31 2 whatever the related claims are?

01:41:35 3 MR. WILLIAMS: The only hesitancy I would  
01:41:37 4 have -- and for the record, this is David Williams for the  
01:41:39 5 plaintiff -- is the fact we have advanced strongly a theory  
01:41:44 6 of violation of a family of marks. Family of marks is not  
01:41:49 7 per se recognized as a per se legal existence under federal  
01:41:55 8 law, but it is recognized under common law. And we think  
01:42:00 9 that that aspect is actually very important here.

01:42:04 10 THE COURT: Okay. Hold that thought.

01:42:05 11 MR. WILLIAMS: So that's why, in other words, my  
01:42:08 12 sense was about the proof rather than the division, federal  
01:42:10 13 or common so much.

01:42:12 14 THE COURT: All right. So I independently  
01:42:16 15 wondered what the family of marks business was all about.  
01:42:23 16 The family of marks, that's not a federal trademark thing?

01:42:28 17 MR. McGRAW: It's not. I guess the claim could  
01:42:29 18 be recognized under 1125(a), the Lanham Act. But our  
01:42:35 19 position all along has been if that claim was gone, this  
01:42:37 20 would be a much simpler trial. And by gone, I mean reserved  
01:42:44 21 to a later date.

01:42:45 22 THE COURT: So I was trying not to reserve it to  
01:42:47 23 a later date, so -- but I guess that actually is -- so tell  
01:42:56 24 me what the proving the family of claims involves. I mean,  
01:43:03 25 I understand --

01:43:05 1 MR. WILLIAMS: Family of marks.

01:43:07 2 THE COURT: Right. Family of marks. And I  
01:43:08 3 understand it's about American this, American that, I guess,  
01:43:12 4 but what is the significance of that?

01:43:15 5 MR. WILLIAMS: So the significance of that is,  
01:43:17 6 particularly in the maritime industry, where it is a common  
01:43:21 7 practice that --

01:43:24 8 THE COURT: Okay. Yeah. Yeah. I saw that in,  
01:43:26 9 I don't know, the jury instructions or somewhere --

01:43:27 10 MR. WILLIAMS: Christine Duffy.

01:43:28 11 THE COURT: -- or, yeah, okay, in relation to  
01:43:30 12 her, you proffering that. But so how does this common  
01:43:41 13 practice relate back to the issues in the case?

01:43:45 14 MR. WILLIAMS: So we are saying that that  
01:43:49 15 augments the confusing aspect of their brand name and  
01:43:56 16 infringes our preexisting family of vessel name marks which  
01:44:01 17 have been growing since 2000.

01:44:08 18 THE COURT: Hold on a minute. Okay. So I had  
01:44:36 19 been looking at the plaintiff's Proposed Verdict Form  
01:44:41 20 submitted on October 22nd, and I had noticed that question  
01:44:46 21 number three on the verdict form, which is essentially  
01:44:51 22 infringing the family of trademarks or more properly is  
01:44:57 23 likely to cause confusion with the family of trademarks as a  
01:45:02 24 question to which there was no counterpart in the  
01:45:06 25 defendants' Proposed Verdict Form.

01:45:11 1 And is it --

01:45:18 2 MR. MURRELL: I think there is, Your Honor. We  
01:45:21 3 sent our own version of it.

01:45:23 4 MR. WILLIAMS: There were two versions.

01:45:24 5 MR. MURRELL: But we organized it differently.  
01:45:26 6 Instead of having liability, liability, liability,  
01:45:29 7 liability, and then damages, we put each of the claims  
01:45:32 8 independently together. So I think our family mark comes  
01:45:36 9 later.

01:45:38 10 THE COURT: But I'm not so sure. You had a  
01:45:40 11 question number two because it has ACL established it owns a  
01:45:46 12 valid and legally protective family of American trademarks.

01:45:50 13 MR. MURRELL: Right.

01:45:50 14 THE COURT: But I don't think there was any  
01:45:54 15 follow-up question.

01:46:02 16 MR. MURRELL: It's question ten.

01:46:03 17 THE COURT: Question ten is about profits.

01:46:09 18 MR. McGRAW: Your Honor, I think you may be  
01:46:10 19 looking at the original verdict form that we submitted and  
01:46:14 20 not the one we submitted this week.

01:46:15 21 THE COURT: Oh, that would be true. Sorry about  
01:46:17 22 that.

01:46:18 23 MR. MURRELL: Yeah.

01:46:19 24 THE COURT: All right. So in any event, you  
01:46:22 25 have a question about it now?

01:46:24 1 MR. MURRELL: We do. We'll say that the  
01:46:26 2 evidence on this at trial will be interesting in that, as I  
01:46:31 3 understand when you're trying to prove a family mark, you've  
01:46:34 4 got to prove the secondary meaning, and it's going to be  
01:46:37 5 measured at the time that we entered the marketplace. And  
01:46:40 6 so all of their ships that come after 2012 can't be evidence  
01:46:45 7 of family of marks because it had to be in place when we  
01:46:49 8 entered the market. So I think a lot of the evidence and  
01:46:52 9 some of the jury instructions they have confused that issue.

01:46:55 10 MR. WILLIAMS: So I can comment we did see that  
01:46:58 11 issue a little differently. We think that the defendants  
01:47:01 12 began to build their own family of American vessel marks.  
01:47:06 13 And when they announced the transformation of the Empress of  
01:47:09 14 the North to become the American Empress --

01:47:12 15 MR. MURRELL: Right.

01:47:13 16 MR. WILLIAMS: -- which happened in July or, no,  
01:47:14 17 it happened, I think, in March of 2013.

01:47:17 18 MR. MURRELL: 2013.

01:47:18 19 THE COURT: Well, so a family of marks infringed  
01:47:22 20 by a single thing or by a family of --

01:47:25 21 MR. WILLIAMS: Well, they then had two.

01:47:27 22 MR. MURRELL: To the extent that you can  
01:47:29 23 establish a legally recognized family, it can be either.

01:47:33 24 THE COURT: Okay.

01:47:35 25 MR. WILLIAMS: They then had two. It would be

01:47:38 1 my comment there, and I just -- I think, honestly, we see  
01:47:41 2 our family as being national in scope. We were marketing  
01:47:45 3 nationally for our entire fleet which then I'm going to say  
01:47:48 4 maybe six vessels. I'm not positive of that.

01:47:52 5 THE COURT: And so what exactly is it if you get  
01:47:58 6 their -- because you don't have any family of marks claim  
01:48:04 7 against them, right, or do you?

01:48:06 8 MR. McGRAW: No, Your Honor. It's strictly  
01:48:09 9 based on the registration for American Queen.

01:48:12 10 THE COURT: So what exactly is it that you get,  
01:48:16 11 Mr. Williams, if you get a finding that they infringe your  
01:48:21 12 family of marks?

01:48:23 13 MR. WILLIAMS: We may be entitled, for instance,  
01:48:29 14 to an injunction against their creation of more vessels  
01:48:32 15 within the first name, American.

01:48:35 16 THE COURT: But you wouldn't get that if you win  
01:48:36 17 on federal trademark infringement?

01:48:39 18 MR. WILLIAMS: Our claim, our federal trademark  
01:48:44 19 infringement claim is against their brand name, American  
01:48:47 20 Queen Steamboat Company.

01:48:49 21 THE COURT: Okay. So --

01:48:52 22 MR. WILLIAMS: So --

01:48:53 23 THE COURT: So you have no federal trademark  
01:48:55 24 claim against any of their boats?

01:48:58 25 MR. MURRELL: Registered.

01:48:59 1 MR. WILLIAMS: So our -- I won't say that's  
01:49:04 2 necessarily true, Your Honor, because in other words, the  
01:49:07 3 idea of when they entered the market, they've kept putting  
01:49:10 4 boats on the water. They put them -- since then, I think  
01:49:12 5 two more, as have we.

01:49:15 6 So you could look at those separately. Those  
01:49:17 7 are all -- and I think all of those boats' names are  
01:49:20 8 registered. That gets perhaps unduly complicated. We  
01:49:24 9 thought that the family of marks idea would address the  
01:49:27 10 problem, let's put it that way.

01:49:29 11 THE COURT: But so the family of marks then,  
01:49:35 12 that introduces this concept of secondary meaning?

01:49:38 13 MR. WILLIAMS: It does.

01:49:39 14 THE COURT: But without the family of marks,  
01:49:40 15 there is no secondary meaning issues in this case?

01:49:44 16 MR. WILLIAMS: I think with respect to the  
01:49:47 17 federally-registered marks, that the validity of the mark  
01:49:50 18 and the fact that it is a designation of source is  
01:49:53 19 established by the federal registration. Particularly here,  
01:49:56 20 we have incontestable registrations that have been --

01:50:01 21 MR. MURRELL: So I think that means, yes, we  
01:50:02 22 don't have secondary meaning evidence on the American Cruise  
01:50:06 23 Lines versus American Queen Steamboat Company claims.

01:50:09 24 MR. WILLIAMS: Yes. I think that's not true.  
01:50:13 25 We do not agree that the American Queen vessel is

01:50:18 1 federally-registered properly.

01:50:21 2 THE COURT: Yeah. So I'm not too familiar with  
01:50:27 3 a lot of this. And I'm sorry, just to go back, this family  
01:50:40 4 of marks business, this is based on common law?

01:50:46 5 MR. WILLIAMS: Well, Mr. McGraw is correct.

01:50:51 6 Section 1125(a) is unfair competition as a result of,  
01:50:56 7 including common law marks. So it would be cognizable under  
01:51:00 8 1125(a).

01:51:04 9 THE COURT: Okay. But it's a different kind of  
01:51:10 10 beast than the rest of the claims in the case or the rest of  
01:51:16 11 the claims that are scheduled for trial?

01:51:18 12 MR. WILLIAMS: I think what the testimony will  
01:51:20 13 be is that the existence of these fleets throughout the  
01:51:24 14 industry and in our fleet are they strengthen the importance  
01:51:30 15 of the key term in the brand name. The names of the boats  
01:51:35 16 that are in common do that.

01:51:38 17 And they establish secondary meaning for the  
01:51:43 18 fleet as relevant under common law or under 1125(a), if it's  
01:51:48 19 relevant there.

01:51:48 20 THE COURT: But in terms of you infringe my  
01:51:52 21 trademark, is it relevant to that?

01:51:54 22 MR. WILLIAMS: To the federal mark, yes. I  
01:51:57 23 would say it also strengthens part of the strength of our  
01:52:00 24 federal mark, absolutely, which is relevant.

01:52:03 25 THE COURT: Okay.

01:52:05 1 MR. WILLIAMS: I mean, in fact, that is part of  
01:52:08 2 why companies do it, so that, you know, that the vessels  
01:52:12 3 that are of the seas are all of a class of ships of Carnival  
01:52:17 4 and strength in that Carnival mark because they're  
01:52:20 5 associated with it. Or maybe a better example is the  
01:52:24 6 Celebrity Cruise marks.

01:52:24 7 THE COURT: Okay.

01:52:28 8 MR. WILLIAMS: I mean, it's not uncommon in the  
01:52:30 9 industry is all I can say, and it's what Mr. Robertson was  
01:52:34 10 practicing with the plaintiff company, even since the old  
01:52:37 11 company.

01:52:39 12 THE COURT: All right. So here's --

01:52:41 13 MR. WILLIAMS: Now --

01:52:42 14 THE COURT: So hold that thought.

01:52:44 15 MR. WILLIAMS: Yeah.

01:52:44 16 THE COURT: So I guess based on what you're  
01:52:56 17 saying, let's assume that the family of marks stays in this  
01:53:02 18 trial. It still doesn't bring up any reason why the jury  
01:53:10 19 has to hear anything at all about common law trademarks,  
01:53:13 20 Delaware unfair trade practices, or unfair competition;  
01:53:19 21 right?

01:53:21 22 MR. SIMMONS: Right.

01:53:27 23 MR. WILLIAMS: There would be evidence of the  
01:53:30 24 market penetration of the family of marks that would be  
01:53:34 25 different than what you would typically put forward in a

01:53:38 1 case that was simply only about the two -- the  
01:53:42 2 federal-registered marks.

01:53:44 3 THE COURT: Right, but so that's not really my  
01:53:46 4 question.

01:53:47 5 MR. WILLIAMS: I'm not sure --

01:53:48 6 THE COURT: The question is: Doing whatever it  
01:53:55 7 is you want to do with the family of marks, you could do  
01:54:00 8 that without the jury ever hearing about what is prohibited  
01:54:07 9 by common law trademarks, and the Delaware Unfair Trade  
01:54:15 10 Practices Act, or unfair competition?

01:54:19 11 MR. WILLIAMS: I think another way of putting  
01:54:22 12 that, Your Honor, would be when we put on our case with  
01:54:25 13 respect to the infringement of their family of marks by  
01:54:28 14 their growing family of marks, those elements, under those  
01:54:34 15 statutes and under common law, would be presented as  
01:54:38 16 evidence.

01:54:38 17 THE COURT: Right. Right.

01:54:40 18 MR. WILLIAMS: In other words --

01:54:41 19 THE COURT: But I'm not asking that. What I'm  
01:54:43 20 asking is: Is there any reason why the jury, to decide what  
01:54:48 21 they have to decide and give you all what you need to find  
01:54:51 22 out, is there any reason why they have to be told about  
01:54:56 23 common law trademarks, Delaware Unfair Trade Practices, or  
01:55:01 24 unfair competition?

01:55:02 25 MR. WILLIAMS: Such as in jury instructions.

01:55:04 1 THE COURT: Yes.

01:55:05 2 MR. WILLIAMS: Okay. I think we are okay with  
01:55:08 3 the jury instructions we put in which did not get into the  
01:55:11 4 details of Delaware law or other aspects of common law other  
01:55:16 5 than the existence of a family of marks.

01:55:19 6 THE COURT: Okay.

01:55:19 7 MR. WILLIAMS: And I think there are  
01:55:20 8 instructions in the jury instructions as to what a family of  
01:55:23 9 marks is.

01:55:23 10 THE COURT: And there might be.

01:55:25 11 MR. WILLIAMS: I believe there are.

01:55:28 12 MR. McGRAW: There's other instructions in there  
01:55:29 13 related to common law claims.

01:55:30 14 THE COURT: Well, I think there were three. And  
01:55:32 15 so when I was just looking through them, because I did look  
01:55:36 16 through them for various reasons, partly I was thinking,  
01:55:44 17 boy, these stand out like a sore thumb because we've got  
01:55:47 18 three of them about common law trademark. And they don't  
01:55:48 19 ever seem to come back to anything.

01:55:52 20 And it's only because I was also thinking about  
01:55:55 21 what's this case actually going to be about at trial --

01:55:57 22 MR. MURRELL: Right.

01:55:58 23 THE COURT: -- that I was saying, well, you  
01:56:00 24 know, one of the things that would at least present some  
01:56:03 25 measure of simplification is if they're not being told about

01:56:08 1 the law, many different statutes that say the same thing.

01:56:12 2 So at least based on what I'm hearing, and maybe you all

01:56:20 3 would like to talk about it some more after today, but I

01:56:22 4 would like to basically work on the assumption that the

01:56:27 5 federal trademark, including at least for now the family of

01:56:32 6 marks, will resolve all of the common law unfair competition

01:56:40 7 and Delaware Uniform Trade Practices Act relating to those,

01:56:45 8 so that those will be resolved.

01:56:49 9 ||| Do you understand what I'm saying?

01:56:50 10 MR. WILLIAMS: I think I do, and I think I just  
01:56:52 11 looked at the jury instructions that I could see very  
01:56:56 12 quickly. And the ones that I worked on, I think as long as  
01:56:59 13 we have an instruction on the family of marks, I think the  
01:57:03 14 rest of it is covered.

01:57:04 15 THE COURT: Okay. So let's just talk about the  
01:57:07 16 family of marks for a second. Putting the family of marks  
01:57:14 17 in this case, you know, let's assume as a base, you have  
01:57:18 18 your trademark claims against them. They have their  
01:57:21 19 trademark claims against you. Plus, the defenses.

01:57:24 20 How much extra is the family of marks beyond  
01:57:30 21 what would be involved in proving or disproving, whatever  
01:57:37 22 the case may be, the trademark cases?

01:57:39 23 MR. WILLIAMS: And I would submit very little.  
01:57:41 24 In other words, our --

THE COURT: Okay. That's actually all I need to

01:57:46 1 hear from you. Do you have a different point of view on  
01:57:48 2 that, Mr. Murrell?

01:57:48 3 MR. MURRELL: I don't necessarily because I  
01:57:50 4 think in proving up a strength of the mark, which is one of  
01:57:53 5 the elements, I think would be a lot of the same proof.

01:57:56 6 THE COURT: Okay. All right.

01:57:57 7 MR. MURRELL: Now, I'm not agreeing that there's  
01:57:59 8 a family of marks, or there should be a claim.

01:58:01 9 THE COURT: No. No, I understand that. But in  
01:58:02 10 terms of -- so part of what I was doing, and maybe I'm not  
01:58:07 11 explaining myself very well was, you know, I was trying to  
01:58:11 12 see whether what you all were arguing about that could come  
01:58:17 13 out. And so here's what I'm inclined to do with, you know,  
01:58:28 14 having the jury selection the week before and within mind  
01:58:37 15 having the closing arguments on the Monday following the  
01:58:42 16 trial.

01:58:42 17 I will give you, or it's not really mine to  
01:58:47 18 give, but we can have trial for the entire week of  
01:58:53 19 January 7th or whatever the Monday is that starts that week  
01:59:00 20 with starting with openings on the morning of January 7th  
01:59:06 21 and going through to the end of testimony on the Friday. We  
01:59:13 22 would get approximately six hours a day of actual time not  
01:59:21 23 counting breaks, and lunch, and such.

01:59:24 24 And so that would add up six times five, 30. So  
01:59:27 25 each side would have 15 hours to do your openings, do your

01:59:36 1 directs, do your crosses. And we'll decide about closing  
01:59:42 2 argument later, but that would be extra time on the Monday.

01:59:46 3 MR. MURRELL: So that is not part of the  
01:59:48 4 30 hours?

01:59:48 5 THE COURT: Not part of the 30 hours.

01:59:50 6 MR. WILLIAMS: Thank you, Your Honor, for that.

01:59:53 7 THE COURT: Can you live with that, Mr. Williams?

01:59:55 8 MR. WILLIAMS: Yeah. I think one of the big  
02:00:01 9 issues from our side, Your Honor, is we do not agree with,  
02:00:05 10 from what I saw in their papers, concerning the time needed  
02:00:09 11 for the equitable defenses. So --

02:00:11 12 THE COURT: Well, so here's what I'm thinking  
02:00:13 13 about -- well, in any event, so, yeah. I'm thinking -- so  
02:00:21 14 they wrote a proffer.

02:00:24 15 MR. WILLIAMS: On one little part of one issue.

02:00:27 16 THE COURT: Well, it was an issue that related  
02:00:29 17 to, I think, the motion in limine. But tell me what you  
02:00:34 18 think about equitable defenses, or you know, tell me what  
02:00:40 19 you were about to tell me.

02:00:41 20 MR. WILLIAMS: So they have three equitable  
02:00:45 21 defenses that they've pled and that I've seen some evidence  
02:00:48 22 of. I don't exactly know really what they claim is unclean  
02:00:53 23 hands. I know the standard of proof in this jurisdiction is  
02:00:55 24 high. We haven't thought that it deserved or needed  
02:00:59 25 necessarily a lot of jury instruction, but -- special

02:01:03 1 verdict, I mean, but that's one issue.

02:01:07 2 They also have equitable estoppel which is a  
02:01:10 3 different issue which has to do with that.

02:01:14 4 THE COURT: Well, I thought acquiescence laches  
02:01:16 5 and equitable -- unclean hands.

02:01:18 6 MR. WILLIAMS: Laches is the kind of -- they've  
02:01:20 7 characterized it as equitable estoppel, but I think it  
02:01:24 8 actually is laches. But laches to their prejudice, to be  
02:01:27 9 fair to them.

02:01:27 10 THE COURT: Okay.

02:01:28 11 MR. WILLIAMS: That's what they called it. They  
02:01:29 12 haven't flat out called it, I don't believe, laches, but the  
02:01:32 13 case law in this jurisdiction makes clear it's very close to  
02:01:35 14 there's an estoppel by acquiescence and an estoppel by  
02:01:38 15 laches. They're essentially, I think, arguing the estoppel  
02:01:41 16 by laches and an estoppel by acquiescence.

02:01:44 17 THE COURT: Okay.

02:01:45 18 MR. WILLIAMS: So the estoppel by laches would  
02:01:47 19 have to do -- and I'm prepared -- I even have documents to  
02:01:50 20 show Your Honor why there was delay in the filing of the  
02:01:53 21 suit that actually accused them of wrongfully naming the  
02:01:58 22 vessel brand, American Queen Steamboat Company.

02:02:02 23 THE COURT: Right. Right. I know what you're  
02:02:03 24 talking about.

02:02:04 25 MR. WILLIAMS: And that is, you know, something

02:02:07 1 that has to do over time and had to do with lawyers  
02:02:09 2 involved, and had to do with confusion, experience by the  
02:02:11 3 client, and had to do with a lot of things that we think  
02:02:13 4 have nothing to do with the basic case of liability.

02:02:17 5 THE COURT: But never -- go ahead.

02:02:20 6 MR. WILLIAMS: Sorry. And then there's the  
02:02:21 7 third issue which has to do with the letters which Your  
02:02:25 8 Honor has already ruled about. And the --

02:02:28 9 THE COURT: Which letters?

02:02:30 10 MR. WILLIAMS: Sorry. So there were two letters  
02:02:32 11 from a counsel then for American Queen for -- sorry, for --  
02:02:38 12 there was exchange of correspondence.

02:02:40 13 THE COURT: Oh, you're talking about the two  
02:02:41 14 letters in connection with settlement?

02:02:43 15 MR. WILLIAMS: Correct.

02:02:43 16 THE COURT: Okay. Sorry. Two letters. You  
02:02:46 17 know, I get two letters in most cases every day from lots of  
02:02:49 18 different people.

02:02:50 19 MR. WILLIAMS: And Your Honor, we spend so much  
02:02:52 20 time in this case. You talk about letters, we think about  
02:02:55 21 them a lot.

02:02:56 22 So there's the issues about those and how you  
02:03:00 23 rule there. And then -- but then there's the question about  
02:03:03 24 what was said or not said at a meeting in December, and then  
02:03:06 25 maybe at a later phone call --

02:03:08 1 THE COURT: Right.

02:03:09 2 MR. WILLIAMS: -- that they come up with now.

02:03:11 3 THE COURT: Well, so here's what I think would  
02:03:13 4 be good about that, which is why don't you put in writing  
02:03:20 5 when -- they've made a very nice proffer, easy to follow,  
02:03:24 6 coherent. Why don't you submit your own proffer as to what  
02:03:38 7 you -- so before we actually go further, so you're telling  
02:03:44 8 me, yeah, there's all these reasons why we don't agree with  
02:03:48 9 their equitable defenses?

02:03:50 10 MR. WILLIAMS: Yes.

02:03:50 11 THE COURT: So I get that. And his point right  
02:03:57 12 now is what?

02:03:58 13 MR. WILLIAMS: So I think my point would be that  
02:04:00 14 the equitable defenses ought to be heard or decided by Your  
02:04:04 15 Honor.

02:04:04 16 THE COURT: Okay.

02:04:05 17 MR. WILLIAMS: And my point is, my further point  
02:04:08 18 is there are a number of issues that are involved in those  
02:04:12 19 equitable defenses. The acquiescence thing, for instance,  
02:04:15 20 the scope of the acquiescence, the reasonableness of their  
02:04:18 21 reliance, the way they relied, various things like that that  
02:04:21 22 had to do with evidence which is not relevant to the basic  
02:04:25 23 infringement case.

02:04:27 24 THE COURT: Okay.

02:04:28 25 MR. WILLIAMS: And so if we bifurcate that, yes,

02:04:31 1 that would cut time, and then I think we would feel much  
02:04:34 2 better about the time required. You know, now we still have  
02:04:39 3 a lot of history to bring forward, and we have, you know,  
02:04:42 4 experts.

02:04:43 5 THE COURT: So a lot of history, you know.

02:04:46 6 MR. WILLIAMS: Which goes to the strength of the  
02:04:48 7 mark.

02:04:48 8 THE COURT: Yeah. Well, not all the history  
02:04:50 9 from the beginning of time actually, in my opinion, does,  
02:04:53 10 but we'll get there. But as long as you're bringing up the  
02:04:58 11 equitable defenses, I stumbled across this beauty. This is  
02:05:06 12 from the Seventh Circuit Federal Jury Instructions,  
02:05:11 13 instruction number 13.5.3. And it's entitled Affirmative  
02:05:20 14 Defenses, Laches/Acquiescence.

02:05:22 15 And the comment is, "The Lanham Act recognizes  
02:05:25 16 laches, acquiescence, and other equitable defenses to  
02:05:29 17 trademark infringement actions." Citation: "No  
02:05:33 18 instructions are provided on the defenses of laches or  
02:05:36 19 acquiescence because they are issues for the Court, not the  
02:05:38 20 jury."

02:05:40 21 And I took it from the various briefing back and  
02:05:44 22 forth that, in fact, at the end, everybody was agreed that  
02:05:51 23 they are "issues for the Court." They are equitable  
02:05:56 24 defenses, and therefore, issues for the Court.

02:05:58 25 What I took that the parties were disagreed on

02:06:01 1 was what impact this would have on presentation of evidence  
02:06:06 2 to the jury, and depending on what evidence was presented to  
02:06:12 3 the jury, whether or not the jury should be rendering  
02:06:19 4 findings, verdicts, or something else in relation to these  
02:06:22 5 issues.

02:06:23 6 And so what I'm thinking -- so first off,

02:06:30 7 Mr. Murrell, am I correctly posing where we are?

02:06:34 8 MR. MURRELL: Well, we cited you cases where  
02:06:37 9 Courts have submitted these, or there are factual disputes  
02:06:43 10 that decide whether there was acquiescence or estoppel, have  
02:06:44 11 provided to jury -- have provided jury instructions.

02:06:47 12 THE COURT: But I thought your final letter  
02:06:48 13 said, We recognize you don't have to do that.

02:06:50 14 MR. MURRELL: You don't have to do it, except  
02:06:52 15 the parties agree one other time, and it was in their moving  
02:06:55 16 paper. It was at Page 3. It was in ours as well, which is  
02:06:59 17 when there are common issues of fact --

02:07:00 18 THE COURT: But that's kind of, I think, a  
02:07:02 19 different thing. That has to really do with what is  
02:07:06 20 submitted to the jury. And I took it -- and that's the  
02:07:09 21 reason why I was characterizing there is because I  
02:07:12 22 understand, for example, you want to present the testimony  
02:07:17 23 that's in your proffer as to Mr. Robertson said, Yeah, go  
02:07:21 24 ahead. They indicate that, for example, any infringement is  
02:07:26 25 not willful.

02:07:27 1 MR. MURRELL: And as to the actual defining of  
02:07:29 2 infringement when the Lapp factors is our intent.

02:07:33 3 THE COURT: Okay. All right. But there's  
02:07:35 4 multiple reasons.

02:07:36 5 MR. MURRELL: The same proof would come in.

02:07:38 6 THE COURT: So some of the same proof will come  
02:07:41 7 in. And of course, that's what we say in patent cases when  
02:07:46 8 there's inequitable conduct is the evidence that only  
02:07:51 9 relates to inequitable conduct, that doesn't get presented  
02:07:55 10 to the jury. But if there's something that's related to  
02:07:57 11 that that is relevant to some jury issue, yeah, it gets  
02:08:01 12 presented, and the jury does whatever it does.

02:08:03 13 And so that's kind of the way I'm looking at  
02:08:05 14 this which is, you know, for example, you know, if one of  
02:08:12 15 your people is going to say, Mr. Robertson said, I have no  
02:08:16 16 interest in this mark, you go ahead and do what you want  
02:08:18 17 with it.

02:08:19 18 Yeah. I'm going to let you put that into  
02:08:21 19 evidence, but that doesn't mean that I then have to say;  
02:08:27 20 Okay. Let's argue about whether or not there was  
02:08:28 21 unreasonable delay in filing the Complaint, which is a bad  
02:08:32 22 issue to be putting in front of the jury anyhow because then  
02:08:37 23 we're starting to talk about what the lawyers, who are now  
02:08:40 24 standing in front of them, were doing. You know, which  
02:08:43 25 is --

02:08:44 1 MR. MURRELL: May not have been the same  
02:08:45 2 lawyers, but --

02:08:46 3 THE COURT: Well --

02:08:47 4 MR. MURRELL: -- I understand, Your Honor.

02:08:49 5 THE COURT: So that's kind of what I'm thinking  
02:08:52 6 of doing is just saying if we have evidence that relates to  
02:08:57 7 a legal issue, yeah, you're going to -- nobody is going to  
02:09:03 8 be prohibited from presenting it because it also relates to  
02:09:06 9 an equitable issue. And we'll figure out a way to resolve  
02:09:11 10 the equitable issues, but without taking up the jury's time  
02:09:17 11 on them.

02:09:18 12 And I have an open mind on this. If there's  
02:09:27 13 some fact that you want a special interrogatory about, you  
02:09:31 14 know, do you find that American Cruise Lines or  
02:09:46 15 Mr. Robertson gave permission, you'd have to word it to fit  
02:09:52 16 whatever. But if there's some actual fact there --

02:09:54 17 MR. MURRELL: If we could have that special  
02:09:56 18 interrogatory, and then you decide how that fits into the  
02:09:58 19 equitable defense, I think we're fine with that, Your Honor.

02:10:01 20 THE COURT: Well, I -- so I -- that's what I'm  
02:10:07 21 thinking about, but I don't want to commit to that because,  
02:10:10 22 for one thing, I haven't heard Mr. Williams on that, and I  
02:10:13 23 don't really want to hear him on that today just because we  
02:10:16 24 don't have all that much time. But that's what I'm  
02:10:18 25 thinking.

02:10:19 1 MR. MURRELL: Okay.

02:10:20 2 THE COURT: I don't mind asking for them to find  
02:10:24 3 facts that they can find based on hearing all of the  
02:10:27 4 relevant evidence on that particular fact, but I -- not just  
02:10:35 5 because we're going to be trying to do a lot in a relatively  
02:10:42 6 short amount of time, in any event, but because I also think  
02:10:48 7 there's a reason why you don't want to present equity to a  
02:10:57 8 jury.

02:10:57 9 MR. MURRELL: Okay.

02:10:58 10 THE COURT: And so to the extent there are just  
02:11:01 11 pure factual issues or something, then I'll let you all try  
02:11:04 12 to work that out sometime before too long.

02:11:08 13 All right. So that's what I think I'm going to  
02:11:11 14 do on the equitable defenses.

02:11:17 15 Mr. McGraw, you said that you had submitted new  
02:11:20 16 jury instructions, and I'm sorry, I missed those. When did  
02:11:24 17 you submit those?

02:11:26 18 MR. McGRAW: We submitted new joint jury  
02:11:28 19 instructions earlier this week on Monday, but --

02:11:32 20 THE COURT: Wait a second.

02:11:33 21 MR. WILLIAMS: The jury instructions.

02:11:34 22 THE COURT: Oh, no. I've got the jury  
02:11:36 23 instructions from this week. What I don't have is the  
02:11:38 24 verdict form. But you submitted a verdict form, revised  
02:11:41 25 verdict form, too?

02:11:44 1 MR. McGRAW: Yes, Your Honor. It's docket item  
02:11:46 2 number 288.

02:11:46 3 THE COURT: Yeah. I'm sure it is.

02:11:48 4 MR. MURRELL: There's been a lot of docket  
02:11:50 5 numbers.

02:11:51 6 THE COURT: Hold on just one minute. All right.  
02:12:09 7 Well, in any event, I was looking at the verdict form mostly  
02:12:12 8 to try to figure out what the case was about, and we're not  
02:12:15 9 going to resolve that today.

02:12:16 10 In terms of the joint jury instructions, how  
02:12:25 11 much effort did you put into trying to actually come up with  
02:12:29 12 joint jury instructions? Because, honestly, it looks like  
02:12:33 13 none.

02:12:36 14 MR. SIMMONS: You'd be surprised, Your Honor.

02:12:39 15 MR. WILLIAMS: Everything about this case is  
02:12:40 16 taking a lot of effort, Your Honor.

02:12:42 17 MR. SIMMONS: There was a tremendous effort, but  
02:12:44 18 I think there's still some additional refining that can be  
02:12:47 19 done.

02:12:47 20 THE COURT: So let me just ask one thing which  
02:12:49 21 is: One of the things that caught my attention, other than  
02:12:54 22 from the final jury instructions, instructions number seven  
02:13:10 23 through 45, there were exactly two joint proposals. I've  
02:13:19 24 never seen anything like that before in my life.

02:13:25 25 And so I was trying to figure out why that was.

02:13:27 1 And not to be picking on one side or the other and given,  
02:13:37 2 you know, when I saw this is instruction number 21, this is  
02:13:42 3 plaintiff's proposed jury instruction. They've got a  
02:13:46 4 paragraph.

02:13:47 5 And then the defense's objection is, "Defendants  
02:13:49 6 object to this instruction to the extent that plaintiff  
02:13:51 7 offers an incomplete and or inaccurate statement of the  
02:13:55 8 law."

02:13:59 9 You know, that's not a helpful objection. But,  
02:14:08 10 in any event, I'm not here -- because we are a long time in  
02:14:12 11 front of trial, and most of the time I don't get final jury  
02:14:15 12 instructions until we've actually started the trial. So I'm  
02:14:18 13 not here to criticize.

02:14:19 14 But one of the things that I was wondering about  
02:14:21 15 was it seemed like the parties were trying to create these  
02:14:24 16 things from scratch and from case law. And my impression  
02:14:28 17 is, though you raise some issues, and which there may not be  
02:14:33 18 standard instructions out there, but that a lot of these  
02:14:35 19 things, there are standard instructions. And I was kind of  
02:14:38 20 curious why you don't start with the standard instructions,  
02:14:40 21 which usually is satisfactory to one side or the other.  
02:14:44 22 Then the other person, you know, says what special  
02:14:47 23 modification they need or something.

02:14:53 24 But, you know, in this number 21, likelihood of  
02:15:05 25 confusion on intent, both of you -- or no, actually you cite

02:15:09 1 two different cases, three different cases. And you're just  
02:15:16 2 ships passing in the night. There's no chance that I have  
02:15:20 3 enough time to resolve, you know, 38 disputed jury  
02:15:29 4 instructions where neither one of you is giving me what I'm  
02:15:33 5 likely to go back to what I find in a book called Standard  
02:15:37 6 Jury Instructions.

02:15:37 7 MR. MURRELL: The problem, Your Honor, having  
02:15:39 8 gone through this before, the Seventh Circuit is the only  
02:15:42 9 one that's gone out there to try to do pattern. It's very  
02:15:46 10 thin. When they got that group together to come up with the  
02:15:48 11 patterned jury instructions, it's apparent that they didn't  
02:15:52 12 send anybody who had dealt much time with the practice in  
02:15:56 13 trademark law.

02:15:57 14 There's just not a lot of patterned jury  
02:15:58 15 instructions, especially when you get into the world of  
02:16:01 16 family marks. There's just not. And when you get into some  
02:16:03 17 of these other issues, they're just not.

02:16:06 18 THE COURT: Well, what about Devitt and  
02:16:09 19 Blackmar?

02:16:09 20 MR. SIMMONS: There are some, Your Honor, but  
02:16:12 21 for instance, in the Third Circuit, we're confined within  
02:16:15 22 the Checkpoint and Lapp Factors. Lapp Factors. And then as  
02:16:20 23 expended by Checkpoint which defines them, and that's a huge  
02:16:24 24 section of these jury instructions that are dealing with the  
02:16:29 25 Third Circuit's requirements and Lapp check.

02:16:30 1 Now, we may not agree on interpretations of  
02:16:34 2 those, and that's what you're kind of seeing.

02:16:36 3 MR. MURRELL: There's no Third Circuit pattern.  
02:16:37 4 There's not something for us.

02:16:39 5 THE COURT: No. I understand there's no Third  
02:16:41 6 Circuit patterns because that's the first thing I looked  
02:16:42 7 for.

02:16:44 8 MR. MURRELL: Us, too.

02:16:45 9 THE COURT: You know, I didn't go far on my  
02:16:49 10 collection of these lovely volumes from various circuits. I  
02:16:53 11 saw that you cited the Seventh Circuit. I think the  
02:16:57 12 Eleventh Circuit had a very thick volume, so I looked there.  
02:17:00 13 And they have something, though.

02:17:04 14 But I looked at one or two others, and they  
02:17:07 15 didn't have anything. But I didn't take a full survey and  
02:17:09 16 just --

02:17:12 17 MR. MURRELL: If someone wants to write a book,  
02:17:14 18 there's, obviously, a need.

02:17:17 19 THE COURT: I'm sure it will be a best seller.

02:17:19 20 MR. MURRELL: That's probably the problem.

02:17:28 21 THE COURT: All right. I guess the other  
02:17:29 22 thing --

02:17:29 23 MR. MURRELL: We can take another shot. To let  
02:17:31 24 the Court know after our last hearing, we did spend a full  
02:17:35 25 day together working through our exhibits issues.

02:17:38 1 MR. WILLIAMS: That's right.

02:17:39 2 MR. MURRELL: We made a lot of progress and  
02:17:41 3 mostly resolved, pending your rulings on motions in limine.  
02:17:44 4 We're planning on doing that on the deposition designations  
02:17:47 5 in the next week. And we found it a lot more helpful for us  
02:17:50 6 all to sit in the same room and do it.

02:17:52 7 THE COURT: Yes.

02:17:53 8 MR. MURRELL: And maybe we can do it on the jury  
02:17:55 9 instructions.

02:17:55 10 MR. WILLIAMS: That would be a good idea.

02:17:57 11 MR. MURRELL: Maybe we can bring them to  
02:17:59 12 Louisville next time, but that's helpful. We'll continue to  
02:18:03 13 work towards it.

02:18:05 14 THE COURT: Okay. So I would like to spend no  
02:18:21 15 more time on the set that I already have. To the extent  
02:18:30 16 that there are -- and I very much understand what you're  
02:18:32 17 saying about -- I accept that the Seventh Circuit jury  
02:18:40 18 instructions were written by a panel that did not have any  
02:18:43 19 trademark experts on it, which I think was what you said. I  
02:18:47 20 expect that's very likely true.

02:18:51 21 But I would like to have another date sometime,  
02:18:57 22 and it can be, you know -- certainly, as far as I'm  
02:19:04 23 concerned, it could actually be -- well, I think it needs to  
02:19:08 24 be before Christmas, but another date after which you've  
02:19:13 25 spent at least a day, or you've spent some time in the same

02:19:20 1 room trying to resolve these. I'm not going to try to tell  
02:19:23 2 you how much time you have to spend, but I just cannot  
02:19:27 3 believe that this is the best you can do.

02:19:33 4 I guess the other thing is it was my impression,  
02:19:36 5 but it was hard for me -- I wasn't entirely sure that even  
02:19:55 6 if I went through and resolved all of your disputes about  
02:19:58 7 various instructions that I would have anything resembling a  
02:20:02 8 coherent story to tell the jury.

02:20:04 9 MR. WILLIAMS: Is there a format you would like  
02:20:06 10 us to put these in? It occurs to me that you may have  
02:20:09 11 experience with what works for you.

02:20:12 12 THE COURT: Well, I mean, my favorite format,  
02:20:15 13 which I'm pretty sure Mr. Kraftschik has seen a few times,  
02:20:18 14 is plaintiff says first claim is that American Queen  
02:20:30 15 Steamboat Company violates the trademark of plaintiff for  
02:20:39 16 "X." In order to prove the claim, plaintiff must prove one,  
02:20:43 17 two, three.

02:20:47 18 You know, probably, one, they have a registered  
02:20:50 19 trademark that was stipulated to. Two, they own the  
02:20:55 20 trademark that was stipulated to. Three, okay, likelihood  
02:20:59 21 of confusion.

02:21:00 22 So here's, jury, how you're going to figure out  
02:21:03 23 likelihood of confusion. You have to consider these eight  
02:21:06 24 things, ten things, seven things, however many things. And,  
02:21:10 25 you know, here they are.

02:21:13 1                   Here's, if we need to, what they mean. Here's  
02:21:17 2 the very helpful, use this to figure out whether they are  
02:21:21 3 likelihood of confusion. There's no set number you have to  
02:21:23 4 check off, but basically just lay them out in --

02:21:27 5                   MR. WILLIAMS: Yeah.

02:21:28 6                   THE COURT: -- logical order. And presumably  
02:21:30 7 once you get through with -- and, you know, part of the  
02:21:37 8 creativity is, and it makes it easier or maybe not so easy  
02:21:42 9 here is that on like the infringement, I mean, you basically  
02:21:48 10 have competing things. So whatever the instruction is that  
02:21:51 11 I give for the one, I'm going to give for the other, I  
02:21:54 12 think. But that's it.

02:22:00 13                  It's to give them a roadmap through what they  
02:22:02 14 need to decide. And you know, it's possible there's more of  
02:22:07 15 a roadmap here than seemed to me based on --

02:22:15 16                  MR. WILLIAMS: These may be more weigh stations  
02:22:18 17 than the overall roadmap.

02:22:20 18                  THE COURT: And so, you know, formally not so  
02:22:23 19 much in patent cases, but in other cases, I mean, usually at  
02:22:27 20 the end, you know, I do -- I'm hoping Mr. Kraftschik won't  
02:22:36 21 contradict me -- but I do try to round off the rough edges  
02:22:45 22 because, in my general experience, jury instructions are  
02:22:49 23 usually the last thing that gets a lot of time and attention  
02:22:54 24 from the lawyers. So even when the law is all correct,  
02:22:57 25 there's duplication and silliness that makes its way in.

02:23:06 1           But, you know, it's the proverbial story that I  
02:23:11 2 can only advance the ball so far from what I get, even on my  
02:23:16 3 best day. So the closer I get to something that doesn't  
02:23:21 4 require much, the better I can make it for the jury.

02:23:27 5           But in any event, how about if we say that  
02:23:40 6 you'll get a revised version of final jury instructions in  
02:23:44 7 on December 21st or before then. Any time before  
02:23:49 8 December 21st.

02:23:50 9           MR. MURRELL: All right.

02:23:51 10          MR. WILLIAMS: Could I ask a question?

02:23:52 11          THE COURT: Sure.

02:23:53 12          MR. WILLIAMS: Does the Court envision in this  
02:23:54 13 case that the rulings -- I think we're agreed that the  
02:23:58 14 rulings on the motions in limine, the decisions, maybe we've  
02:24:01 15 heard some, got a sense of your mind on the equitable legal  
02:24:04 16 issue today, that may impact kind of where we go.

02:24:08 17          Does the Court envision another session with us?

02:24:11 18          THE COURT: No, not unless when we're through  
02:24:13 19 here today, you tell me that's how you'd like to spend your  
02:24:16 20 time. I forget whether Mr. Kraftschik is in on this. I  
02:24:22 21 forget.

02:24:23 22          Were you supposed to be in trial with me next  
02:24:26 23 week?

02:24:26 24          MR. BLUMENFELD: We were supposed to be in trial  
02:24:29 25 with you next week.

02:24:30 1                   THE COURT: So I have some free time opening up  
02:24:33 2 here and there, and so if you need me, I will be here. And  
02:24:40 3 believe me I would rather get these things done in advance  
02:24:43 4 of trial then on the fly. But in any event, you can bring  
02:24:50 5 that up later.

02:24:51 6                   So I have some other miscellaneous things. We  
02:24:57 7 will get to the motions in limine today. But by the way,  
02:25:00 8 actually my plan is that I have some other people that I  
02:25:07 9 have to meet at three o'clock. I have a guilty plea at  
02:25:12 10 3:30. If that all goes smoothly, I will be available again  
02:25:17 11 about a little after 4:00.

02:25:19 12                   So assuming that we're making progress on doing  
02:25:23 13 things, we'll take a break. Maybe you can talk to each  
02:25:25 14 other, and we'll keep going until we run out of things to do  
02:25:30 15 here. Okay.

02:25:32 16                   All right. So in the Pretrial Order that was  
02:25:42 17 submitted, the Revised Pretrial Order which I did get that,  
02:25:47 18 Mr. McGraw, so there were only really two things that I  
02:25:52 19 noticed in it that I wanted to bring to your attention. One  
02:25:56 20 is on Page 31 where it says, "The party calling the witness  
02:26:02 21 shall provide the Court with two copies of the transcript of  
02:26:05 22 the designations." I'd actually like you to provide what I  
02:26:11 23 would call the Court with three copies. One for me, one for  
02:26:14 24 my law clerk, one for the court reporter.

02:26:17 25                   Okay. And then the other thing was on page --

02:26:29 1 oh, so actually I've just taken care of this. Page 47, the  
02:26:33 2 to be discussed at the pretrial conference time for trial  
02:26:37 3 presentation is basically going to be 15 hours per side not  
02:26:49 4 counting closing arguments.

02:26:51 5 MR. MURRELL: Your Honor, there was one other  
02:26:52 6 thing in that kind of thing that we discussed at our meeting  
02:26:55 7 last week among counsel --

02:26:57 8 THE COURT: Yes.

02:26:58 9 MR. MURRELL: -- which was also to help move  
02:26:59 10 things along, subject to the Court's approval, the parties  
02:27:03 11 agreeing that scope of cross will not be limited to the  
02:27:06 12 scope of direct.

02:27:07 13 THE COURT: In other words, you don't want to  
02:27:09 14 have people coming on and then --

02:27:10 15 MR. MURRELL: Having to recall.

02:27:11 16 THE COURT: -- coming back in? Yeah, that's the  
02:27:13 17 way I usually prefer it, so that's good. You may have to  
02:27:19 18 remind me at the time, but that's fine. So that was the  
02:27:25 19 only thing that I noticed in the Revised Pretrial Order,  
02:27:31 20 those two things.

02:27:32 21 Now, we have what Mr. Murrell's just added. Is  
02:27:34 22 there anything else about the Pretrial Order that you want  
02:27:36 23 to talk about?

02:27:37 24 MR. SIMMONS: Your Honor, inadvertently in our  
02:27:39 25 last session, Your Honor was going to look through the

02:27:43 1 Memorandum Opinion of the Proposed Stipulations of Law. And  
02:27:45 2 in an inadvertent manner, the whole section of that was  
02:27:48 3 removed from the pretrial I submitted.

02:27:51 4 I do have these provisions here. They were in  
02:27:53 5 the prior, and I know Your Honor was considering looking at  
02:27:57 6 them. We did print them again.

02:27:58 7 THE COURT: So I didn't. Sorry about that. But  
02:28:07 8 in any event, you're giving them to me to remind me that  
02:28:10 9 you'd like me to do this now; right?

02:28:13 10 MR. SIMMONS: Or at some point, Your Honor.

02:28:14 11 THE COURT: Yeah, Stipulations of Law.

02:28:17 12 MR. SIMMONS: And those are as limited. Last  
02:28:19 13 time we had identified that there were too many.

02:28:22 14 MR. MURRELL: As we mentioned last time, we  
02:28:23 15 didn't tender any because they were not provided for any  
02:28:27 16 Proposed Pretrial Order.

02:28:27 17 THE COURT: Okay. So I guess actually,  
02:28:46 18 Mr. Murrell, I take it you have looked at what says  
02:28:55 19 Plaintiff's Proposed Stipulations of Law, which I think is  
02:28:56 20 essentially an attempt to memorialize rulings that I have  
02:29:01 21 purportedly made earlier for ease of reference. Perhaps I'm  
02:29:05 22 wrong about that.

02:29:07 23 But have you looked at these to see whether  
02:29:12 24 plaintiffs are just making it up as they go along, or are  
02:29:16 25 these more or less things that I have said?

02:29:18 1 MR. MURRELL: To be fair, the prior Proposed  
02:29:20 2 Stipulations, we started going through them. We considered  
02:29:22 3 some of them to be mischaracterizations of the prior ruling  
02:29:25 4 or incomplete.

02:29:26 5 To be fair, in getting ready for today, since  
02:29:28 6 the Court indicated last time that you don't normally accept  
02:29:31 7 these, I had not gone back through this revised set.

02:29:34 8 THE COURT: Okay. So why don't we do this: Can  
02:29:36 9 I ask, and there's no urgency in this at all, I think, but  
02:29:40 10 can I ask that you go through -- so I don't normally do  
02:29:48 11 anything like this, but I don't think it's a bad idea here  
02:29:53 12 to have things written down, both because my memory of  
02:30:02 13 rulings that I made a year-and-a-half ago is not likely to  
02:30:04 14 be at the top of my head, and also, I think it's actually  
02:30:07 15 helpful for you all to have all the rulings collected or all  
02:30:12 16 the rulings that are likely to be that you want the other  
02:30:16 17 side to remember collected in one place.

02:30:17 18 So I'm just wondering if I could ask you to go  
02:30:20 19 through this, I don't know, within two weeks, write me a  
02:30:25 20 letter saying which ones of these you think are fair  
02:30:28 21 characterizations, whether there's any you want to add. And  
02:30:33 22 the ones that are not fair characterizations, you know,  
02:30:37 23 because it's really just they cite your opinion, Judge, and  
02:30:40 24 we read it differently, you know, you don't have to make an  
02:30:45 25 argument.

02:30:46 1 I can go back and read my own opinion, but it  
02:30:48 2 would be helpful to know which ones I can skip over when I'm  
02:30:51 3 looking at the opinion. Okay?

02:30:52 4 MR. MURRELL: We will do that.

02:30:53 5 THE COURT: Plus, as I said, if there's things  
02:30:55 6 that you think should be added, because right now I think  
02:30:57 7 this is pretty much just directed to what defendant cannot  
02:31:00 8 do.

02:31:02 9 MR. MURRELL: We will, Your Honor.

02:31:03 10 THE COURT: Okay.

02:31:09 11 MR. MURRELL: By "we," I mean Mr. McGraw.

02:31:22 12 THE COURT: Okay. So I have one little thing  
02:31:28 13 and then I have the motions in limine, at least in terms of  
02:31:32 14 actually things that I have here. So I had gone through the  
02:31:40 15 voir dire, and I posted sometime earlier today in the voir  
02:31:44 16 dire that I intended to ask.

02:31:45 17 And there was one thing where there's a question  
02:31:51 18 in the voir dire, number 19, that basically lists, as far as  
02:31:54 19 I can see, every cruise company in the world saying they may  
02:31:58 20 be mentioned in testimony. Do you have any personal  
02:32:01 21 familiarity with any of these? And I don't really want to  
02:32:05 22 have everyone coming up and telling me about their cruise  
02:32:07 23 experience.

02:32:10 24 On the other hand, maybe the Paul Gauguin  
02:32:14 25 cruises, that sounds pretty good. But what is the point of

02:32:17 1 this question, and what is it you're trying to get at here,  
02:32:22 2 whoever's question this is?

02:32:24 3 MR. WILLIAMS: So it struck me that -- and I put  
02:32:38 4 the question in after receipt of their earlier original  
02:32:41 5 version which I thought had more open-ended questions. I  
02:32:44 6 heard your comments. You didn't want too many questions  
02:32:47 7 that too many people would say yes to, and then tell a long  
02:32:51 8 story. And I understand that.

02:32:52 9 It did seem to me that people who were familiar  
02:32:56 10 with these cruise lines might have more knowledge than the  
02:33:02 11 average person.

02:33:03 12 THE COURT: Well, but having more knowledge than  
02:33:05 13 the average person, I mean, it's certainly not a  
02:33:12 14 disqualifier.

02:33:12 15 MR. WILLIAMS: No.

02:33:13 16 THE COURT: And of course, we do have questions  
02:33:15 17 that are designed to find out whether anybody has any  
02:33:20 18 personal experience with either American Cruise Lines or, on  
02:33:24 19 the other hand, the American Queen Steamboat Company, Great  
02:33:27 20 American Steamboat Company, Delta Queen Steamboat Company.

02:33:31 21 MR. WILLIAMS: Right.

02:33:32 22 THE COURT: But I was just wondering why -- I  
02:33:35 23 mean, so really then this is what it looked like is just an  
02:33:38 24 attempt to list every cruise line in the world except for  
02:33:42 25 Norwegian Cruise Line for some reason.

02:33:44 1 MR. WILLIAMS: Well, we do have Carnival,  
02:33:48 2 obviously, is where our key expert, president of, as the  
02:33:53 3 Court knows.

02:33:54 4 THE COURT: No, the Court doesn't know that.

02:33:56 5 MR. WILLIAMS: Well, it was in -- all right.

02:33:58 6 THE COURT: I mean --

02:33:59 7 MR. WILLIAMS: It was in your ruling on the --  
02:34:02 8 any way.

02:34:03 9 THE COURT: Yeah. I said he was qualified;  
02:34:05 10 right?

02:34:06 11 MR. WILLIAMS: Yeah, you did.

02:34:07 12 THE COURT: That's what I remember.

02:34:08 13 MR. WILLIAMS: And it also has AMA Capital  
02:34:12 14 Partners which is not a cruise line at all. Hornblower  
02:34:17 15 Marine Services which I think runs a number -- which is  
02:34:20 16 affiliated with the defendants, or maybe it's the parent or  
02:34:23 17 was the parent corporation of defendants, and operates a  
02:34:27 18 number of enterprises around the country, I believe. I  
02:34:32 19 don't know exactly what, but ferry boats in various  
02:34:35 20 different places. And it looks like somebody who may have  
02:34:38 21 extensive knowledge of that company, may know more about the  
02:34:41 22 defendant than we'd like to know about.

02:34:47 23 There are some others here that are not -- that  
02:34:50 24 are more in that nature. Pitco is a company that was  
02:34:54 25 involved in the case.

02:35:02 1 MR. KRAFTSCHIK: Are we looking at the same  
02:35:03 2 thing? I just want to make sure we're on the same version.  
02:35:06 3 I think this is what was submitted by Your Honor, DI-295.

02:35:10 4 THE COURT: Yeah. Right.

02:35:11 5 MR. KRAFTSCHIK: This is the version that was  
02:35:12 6 uploaded to the docket.

02:35:13 7 MR. WILLIAMS: I'm sorry.

02:35:14 8 THE COURT: I don't think it's any --

02:35:16 9 MR. MURRELL: Same list.

02:35:17 10 THE COURT: Yeah. I don't think it's any  
02:35:18 11 different --

02:35:18 12 MR. WILLIAMS: In other words, this --

02:35:19 13 THE COURT: -- except.

02:35:21 14 MR. KRAFTSCHIK: It's the same.

02:35:22 15 MR. WILLIAMS: Sorry. I hadn't seen this, but  
02:35:30 16 let me see. I think the ones I've mentioned are still,  
02:35:33 17 nevertheless, in here.

02:35:37 18 THE COURT: So in order of things that you think  
02:35:44 19 might actually be pertinent here, just tell me again  
02:35:49 20 because --

02:35:50 21 MR. WILLIAMS: Well, the ones that have sort of  
02:35:53 22 more than just being another part of the industry --

02:35:56 23 THE COURT: Right.

02:35:57 24 MR. WILLIAMS: -- are the ones, AMA Capital  
02:35:59 25 Partners.

02:35:59 1 THE COURT: Which is what, a venture capital  
02:36:01 2 firm?

02:36:01 3 MR. WILLIAMS: It was some New York capital firm  
02:36:05 4 that was engaged by the Maritime Administration, I believe.  
02:36:10 5 And you see there the U.S. Maritime Administration known as  
02:36:14 6 MARAD is on the list.

02:36:20 7 THE COURT: So all right. So you say MARAD, and  
02:36:26 8 what else did you say? Okay. AMA Capital Partners.

02:36:30 9 MR. WILLIAMS: The first one.

02:36:31 10 THE COURT: Yes, I'm --

02:36:32 11 MR. WILLIAMS: Ambassadors International is a  
02:36:35 12 prior owner of the vessel, American Queen.

02:36:37 13 THE COURT: Right. Weren't they selling it  
02:36:40 14 because they were going out of business?

02:36:42 15 MR. WILLIAMS: Actually they continued on in  
02:36:44 16 business for a while, and then they later went bankrupt.

02:36:50 17 THE COURT: All right. What else?

02:36:53 18 MR. WILLIAMS: We have CLIA Cruise Lines  
02:36:56 19 International Association. I mentioned Carnival is where  
02:37:02 20 our expert witness works.

02:37:04 21 MR. SIMMONS: And Your Honor, if I could amplify  
02:37:07 22 on that from a litigator's perspective --

02:37:08 23 THE COURT: From a what?

02:37:09 24 MR. SIMMONS: From a litigator's perspective.

02:37:11 25 THE COURT: Yes.

02:37:12 1 MR. SIMMONS: I know that Carnival may generate  
02:37:13 2 a number of responses, but the reality is that if someone  
02:37:16 3 has gone on a Carnival cruise, and they've either had a  
02:37:20 4 particularly favorable or a particularly unfavorable  
02:37:22 5 experience on that cruise, that's going to, in my belief,  
02:37:25 6 impact their listening and interpretation of Christine  
02:37:35 7 Duffy's testimony which is critical in this case.

02:37:37 8 And so I know that that question is going to  
02:37:39 9 generate a lot of responses, but I think it is important.  
02:37:42 10 It's important for fairness on both sides.

02:37:45 11 If they had a particularly good experience on  
02:37:48 12 Carnival, they may think she's particularly credible. If  
02:37:51 13 they had a particularly bad experience on Carnival, they may  
02:37:54 14 think the opposite.

02:37:56 15 THE COURT: So one of the questions right now is  
02:37:58 16 number 17, have you ever been involved in a dispute with a  
02:38:02 17 cruise company? If you'd like me to pair that with have you  
02:38:05 18 ever sent a love letter to a cruise company?

02:38:08 19 MR. SIMMONS: Well, my concern is, Your Honor,  
02:38:10 20 you may not have a dispute with a company, but you may have  
02:38:13 21 gone on and said, This is the best thing ever since sliced  
02:38:17 22 bread. So an executive of that entity, I'm going to give a  
02:38:19 23 lot of weight.

02:38:19 24 Or alternatively, God forbid you had the  
02:38:24 25 Rotavirus, you didn't file a complaint against them, but you

02:38:27 1 think, This is an executive of this company, and I don't  
02:38:29 2 believe anything she says.

02:38:33 3 THE COURT: All right. So what's, for example,  
02:38:40 4 Delaware North Partnership?

02:38:42 5 MR. WILLIAMS: They actually are the prior owner  
02:38:45 6 of the vessel, American Queen.

02:38:47 7 MR. MURRELL: They actually still exist, I  
02:38:49 8 believe. Your Honor, this was their proposed question, but  
02:38:54 9 in all fairness, you know, in using our discretionary  
02:38:57 10 strikes, I mean, I think what you're going to get is blank  
02:39:03 11 stares to almost this entire question.

02:39:06 12 MR. WILLIAMS: Right.

02:39:07 13 MR. MURRELL: I think the jurors will be looking  
02:39:08 14 at us all going, Why are you wasting my time asking all  
02:39:11 15 these questions? But if we were to get a hit on any of  
02:39:14 16 these, however unlikely, it's something I probably would  
02:39:16 17 want to know.

02:39:19 18 THE COURT: Okay. All right. Well, all right.  
02:39:30 19 I'll ask it.

02:39:31 20 The only thing I'm actually going to do is I  
02:39:35 21 noticed I had failed to cross out Delta Queen Steamboat  
02:39:39 22 Company, and they're covered somewhere else. So, okay.

02:39:44 23 All right. And so I think that only on my  
02:39:53 24 agenda here leaves the motions in limine. Well, actually we  
02:40:02 25 also had this thing about Mr. Silverman and Ms. Duffy. And

02:40:11 1 based on the representations that are in the docket,  
02:40:15 2 Item 299, and you know, basically saying these two people  
02:40:27 3 are not going to overlap, I'm going to exercise my  
02:40:41 4 discretion not to prohibit the plaintiff from calling both  
02:40:50 5 Mr. Silverman and Ms. Duffy. Well, so that's basically how  
02:41:01 6 I'm going to resolve that.

02:41:03 7 All right. So in the motions in limine, I read  
02:41:12 8 these before the first pretrial conference. I read them  
02:41:17 9 again after the first pretrial conference. And this second  
02:41:25 10 time I read them, I had a better understanding of what was  
02:41:28 11 in them.

02:41:32 12 And so I have my notes, and let me -- so  
02:41:44 13 basically we had plaintiff's motions in limine, and so I  
02:42:01 14 guess what I'm wondering is the defendant wants to introduce  
02:42:08 15 these two letters and the back and forth with Mr. Robertson.

02:42:22 16 MR. WILLIAMS: The defendant wants to introduce  
02:42:24 17 these letters.

02:42:25 18 MR. MURRELL: Right.

02:42:25 19 THE COURT: Did I say that backwards?

02:42:27 20 MR. MURRELL: The two letters.

02:42:28 21 MR. WILLIAMS: I'm not sure, but after I thought  
02:42:30 22 a minute, I wasn't sure what I had heard.

02:42:31 23 THE COURT: Okay. Well, I'm not sure what I  
02:42:33 24 said, either, but that's the reason we have a court  
02:42:35 25 reporter.

02:42:38 1                   And so the two letters that the defendant wants  
02:42:45 2 to introduce, as I gather it, they want to say that these  
02:42:52 3 are being offered for the state of mind of plaintiff; is  
02:42:59 4 that right?

02:43:00 5                   MR. MURRELL: Kind of. One to show that the  
02:43:03 6 issue of whether or not Mr. Robertson said what we said he  
02:43:06 7 told our people in December and a phone call in February.  
02:43:11 8 One, it shows that that was on the table. We didn't accept  
02:43:14 9 it. As you notice in summary judgment, we didn't accept  
02:43:18 10 that offer.

02:43:19 11                  But for them to say we would never have offered  
02:43:21 12 that, for Mr. Robertson to say, I think as he said, he would  
02:43:25 13 have never offered that, it was offered. It was put on the  
02:43:28 14 table. And so it makes it more likely, in our view, as  
02:43:31 15 evidence that a jury could find it more likely that that  
02:43:33 16 statement was made by Mr. Robertson later in December.

02:43:36 17                  THE COURT: So there is a deposition, I suppose,  
02:43:41 18 maybe more than one of Mr. Robertson. Did he say at some  
02:43:47 19 point, I never ever ever would have permitted use of the  
02:43:52 20 American Queen Steamboat Company name, no matter how many  
02:43:56 21 millions of dollars they offered me?

02:43:58 22                  MR. MURRELL: I think he did in his declaration.  
02:43:59 23 As I sit here, Your Honor, I went back to his declaration  
02:44:03 24 preparing. But I think subsequently somewhere in the  
02:44:05 25 summary judgment, and I apologize, I don't have that in

02:44:07 1 front of me, but I think he subsequently did in the  
02:44:10 2 declaration.

02:44:11 3 THE COURT: So what do you think he's going to  
02:44:12 4 say at trial, Mr. Williams?

02:44:16 5 MR. WILLIAMS: I don't think he's going to say  
02:44:17 6 the way Mr. Murrell just characterized it. I think he's  
02:44:21 7 going to say that he believes that he did not say that, that  
02:44:25 8 he doesn't recall any such statement, but that he does  
02:44:28 9 recall some other things that were said. And that later he  
02:44:31 10 felt -- when he was told, he felt this very strongly that  
02:44:37 11 they were naming the brand American Queen Steamboat Company  
02:44:42 12 that he had then had. And that is because I think he  
02:44:46 13 thought they were going to select and pursue the name of  
02:44:50 14 Delta Queen Steamboat Company, which I think the evidence is  
02:44:53 15 to the effect that they did pursue.

02:44:55 16 THE COURT: But is he going to say anything like  
02:44:56 17 saying -- because what you just said, I think that was in  
02:45:01 18 the proffer. I read it somewhere of what Mr. Robertson  
02:45:08 19 presumably had said in the deposition.

02:45:10 20 Do you expect him to say at trial, or are you  
02:45:14 21 going to be trying to get him to say, I never would have  
02:45:16 22 done that? Because it seems to me that the arguments the  
02:45:26 23 defendant has could change depending on what it is he  
02:45:32 24 actually says.

02:45:33 25 MR. WILLIAMS: Maybe. I think what is true is

02:45:36 1 that there was the letter in May of 2011 where the lawyer  
02:45:41 2 objected to the use of, among other things, American  
02:45:44 3 Steamboat Company. I think the facts are and this shall --  
02:45:48 4 you know, it's not in these papers particularly -- is that  
02:45:51 5 there was a dispute about Great American Steamboat Company.

02:45:54 6 THE COURT: Right.

02:45:54 7 MR. WILLIAMS: There were issues about whether  
02:45:56 8 that was creating confusion, and we thought it was. And I  
02:45:59 9 think we've now through the -- well, we think there was  
02:46:03 10 confusion as a result of, and we've since learned from the  
02:46:06 11 traffic, and the keyword traffic, Your Honor, actually  
02:46:10 12 referred to in connection with the Daubert motion on Peter  
02:46:14 13 Kent that there were more hits on Great American Steamboat  
02:46:18 14 Company than on American Queen.

02:46:20 15 And so we think there is evidence that there was  
02:46:23 16 confusion related to American, to Great American Steamboat  
02:46:26 17 Company. And more interesting, in that mark, which is  
02:46:29 18 why -- and when you see, in fact, the way when they -- you  
02:46:35 19 know, I just don't think it was particularly an issue in his  
02:46:38 20 mind. He wasn't really thinking about American Queen  
02:46:41 21 Steamboat Company in the way that Mr. Murrell, you know, for  
02:46:44 22 millions of dollars, you wouldn't sell it. But rather what  
02:46:47 23 he was thinking is, Let's get rid of this problem with Great  
02:46:51 24 American Steamboat Company.

02:46:52 25 THE COURT: And maybe it's not fair because we

02:47:00 1 are more than two months from trial, but based on what  
02:47:12 2 you've said, I take it your expectation, what you'd like to  
02:47:17 3 do with him is to say, On these two dates that are  
02:47:24 4 identified in the proffer, January 15th of 2000 and --

02:47:31 5 MR. WILLIAMS: I think it's December.

02:47:32 6 MR. MURRELL: December 15th, Your Honor.

02:47:34 7 MR. WILLIAMS: December 15th.

02:47:35 8 THE COURT: And then in February, the next year  
02:47:37 9 when there are conversations --

02:47:38 10 MR. WILLIAMS: Right.

02:47:39 11 THE COURT: -- that he's going to say what you  
02:47:42 12 just said, which is, yeah, they talked about some names.  
02:47:46 13 The names that they gave, they didn't concern me. But one  
02:47:50 14 of the names they gave me was not American Queen Steamboat  
02:47:53 15 Company, and I didn't agree to that.

02:47:58 16 MR. WILLIAMS: I think that's more like it. I  
02:48:00 17 think he also came away with the impression of what they  
02:48:03 18 were really going to do was go after Delta Queen Steamboat  
02:48:07 19 Company.

02:48:08 20 THE COURT: Okay.

02:48:09 21 MR. MURRELL: Your Honor, when he says and when  
02:48:12 22 I found out they were using American Queen Steamboat  
02:48:15 23 Company, his testimony has been, And I thought I was had.

02:48:17 24 THE COURT: Right.

02:48:17 25 MR. MURRELL: I think the letter from the

02:48:19 1 counsel saying that we could use American Queen Steamboat  
02:48:24 2 Company is relevant to test that that testimony that he said  
02:48:26 3 he had been had, it was on the table.

02:48:29 4 THE COURT: But it wasn't on the table.

02:48:31 5 MR. MURRELL: It was. That's -- but it was on  
02:48:34 6 the table. We didn't accept that offer, but it was on the  
02:48:37 7 table. It was being discussed as a potential remedy.

02:48:41 8 Our people say then we had the very, very  
02:48:43 9 specific conversation with him that relied upon when we went  
02:48:46 10 out.

02:48:46 11 THE COURT: And so your people are going to say  
02:48:48 12 that, and the jury may believe them and may believe  
02:48:53 13 Mr. Robertson. But between the earlier letter, the two  
02:49:02 14 letters being definitely part of settlement discussions, and  
02:49:08 15 being parts that you did not accept, it certainly appears to  
02:49:15 16 me that, I mean, they were part of the proposed resolution  
02:49:31 17 of a dispute; right?

02:49:33 18 MR. MURRELL: Right. And the fact that ACL made  
02:49:38 19 that offer several months before the conferences, it doesn't  
02:49:43 20 prove it. But isn't it evidence that it was more likely  
02:49:47 21 that Mr. Robertson would have agreed to that request since  
02:49:51 22 he had previously or ACL had previously offered it?

02:49:54 23 That's my point. It doesn't prove it by itself.

02:49:56 24 THE COURT: No, it doesn't.

02:49:57 25 MR. MURRELL: But it's --

02:49:58 1 THE COURT: And --

02:49:59 2 MR. WILLIAMS: I think Rule 406 for that kind of  
02:50:02 3 logic excludes it.

02:50:03 4 THE COURT: Well, I don't think it's habit.

02:50:06 5 MR. WILLIAMS: It's certainly not a habit, but  
02:50:08 6 it might be -- I don't know. It's also not a routine  
02:50:11 7 practice of a business organization.

02:50:13 8 THE COURT: Yeah. No. I don't think -- I mean,  
02:50:16 9 I understand, I think, the logic of Mr. Murrell's argument  
02:50:24 10 which is it had some lesser importance to Mr. Robertson back  
02:50:35 11 when they were trying to resolve the other dispute because  
02:50:37 12 he was willing to trade it away for something else of some  
02:50:41 13 value. So it wasn't, you know, an over-my-dead-body kind of  
02:50:49 14 thing.

02:50:51 15 But I am both concerned that, A, it seems to me  
02:51:08 16 kind of wrong that an offer or compromise is then used  
02:51:14 17 against the person which is what that seems to be.

02:51:19 18 And then the second thing is it is in a way a  
02:51:23 19 sideshow because then you have to get into what the  
02:51:28 20 underlying dispute is that they were talking about back in  
02:51:33 21 the year before. And that's sort of some amount of  
02:51:41 22 satellite litigation on this issue.

02:51:51 23 And what's more is, you know, at best I'm saying  
02:51:59 24 here under the current way that I look at things, I'm not  
02:52:06 25 going to admit the letters because, in the end, I do think

02:52:09 1 their probative value is substantially outweighed by their  
02:52:16 2 taking up explanation and being unfairly prejudicial without  
02:52:24 3 a substantial amount of context.

02:52:26 4                   But I do think that Mr. Robertson is limited in  
02:52:29 5 what he can say. And, you know, I think the more that he  
02:52:37 6 says something that's sort of contrary which is, no, you  
02:52:44 7 know, I would never have done this. You know, I will  
02:52:49 8 reconsider if he says that.

02:52:52 9                   Let me put it more like this: I will reconsider  
02:52:54 10 if he says that because either the plaintiff brings it out  
02:52:58 11 or because, though, Mr. Murrell is not trying to bring it  
02:53:02 12 out, it comes out anyhow while he's talking to the man. So  
02:53:07 13 that's what think I'm going to do there.

02:53:24 14                   On the other hand, testimony about what  
02:53:26 15 Mr. Robertson said on December 15th and again in February,  
02:53:33 16 at least as presented in the proffer, the way it's  
02:53:42 17 presented, it's not tied to potential settlement. And, you  
02:53:57 18 know, I think what I get is that defendants' witnesses are  
02:54:01 19 going to say there were no strings attached, and again, he  
02:54:05 20 just didn't care about it.

02:54:07 21                   So I have trouble seeing why that should be  
02:54:11 22 excluded because I think it certainly goes to the  
02:54:15 23 defendants' state of mind and maybe other issues. So that's  
02:54:21 24 what I think about that.

02:54:23 25                   Mr. Williams, I think you may have raised this

02:54:31 1 at some place somewhere. I understand your client's view  
02:54:41 2 is, I didn't say that.

02:54:47 3 Do you have an alternative position that if he  
02:54:49 4 did say it, it was part of settlement negotiations or --

02:54:53 5 MR. WILLIAMS: Oh, I think it was part of  
02:54:55 6 settlement. I mean, the meeting in December was, in fact,  
02:54:58 7 the proffer. I believe it was said at a settlement  
02:55:02 8 conference.

02:55:02 9 THE COURT: Yeah. It was said at a settlement  
02:55:04 10 conference, but that's the thing. When you have the  
02:55:06 11 principals there, that doesn't mean that everything that  
02:55:08 12 happens there is settlement negotiations.

02:55:12 13 So I think you could have maybe asked, you could  
02:55:15 14 have a hearing, see what Mr. Robertson actually has to say  
02:55:18 15 about this. If you want to pursue that, I think you need to  
02:55:24 16 submit to me some version that makes me think it could  
02:55:28 17 possibly be protected by Rule 408, some proffer of --

02:55:34 18 MR. WILLIAMS: Okay. So, in other words, the  
02:55:37 19 whether really is part of a settlement discussion as opposed  
02:55:39 20 to just something else instead.

02:55:41 21 THE COURT: Well, however it is that you want to  
02:55:45 22 get it out. You want to get into getting covered by  
02:55:47 23 Rule 408 --

02:55:48 24 MR. WILLIAMS: Yeah.

02:55:48 25 THE COURT: -- because the way it's presented

02:55:50 1 through the proffer, I don't think it is, and it seems to me  
02:55:54 2 to be relevant. And so can I ask that if you want to make  
02:56:05 3 the argument, and you know, it's a hard argument to make,  
02:56:12 4 but presumably your argument is, Well, when we were talking  
02:56:15 5 about these other two steamboat companies -- well, actually  
02:56:19 6 I'm not going to tell you how to make an argument. You know  
02:56:22 7 how to make an argument.

02:56:23 8                  But submit something that's a factual proffer of  
02:56:26 9 what people would say about this event in December or about  
02:56:31 10 the telephone call in February that would bring the  
02:56:37 11 statements that are disputed into Rule 408. And if I think  
02:56:43 12 I need to have a hearing about it, we can have a hearing  
02:56:46 13 about it. But right now, I don't see a need for that.

02:56:52 14                  MR. WILLIAMS: Will do.

02:56:54 15                  THE COURT: All right. So in two weeks. All  
02:56:59 16 right.

02:57:00 17                  So do you all really want to talk about this  
02:57:04 18 statutory trademark? Because I looked at the statute, and I  
02:57:10 19 think defendants are right on this one.

02:57:14 20                  MR. WILLIAMS: This is to do with the  
02:57:17 21 abandonment?

02:57:18 22                  THE COURT: Yes.

02:57:21 23                  MR. WILLIAMS: So there are two motions.

02:57:23 24                  THE COURT: Right. Right. So let's just talk  
02:57:25 25 about first off your motion, which is that the intent of the

02:57:33 1 purchaser is irrelevant. And that's based on your reading  
02:57:39 2 of Paragraph 2 of this particular statute about abandonment.

02:57:57 3 MR. WILLIAMS: So this is the part where at the  
02:58:00 4 end where it says, Purchaser motivation shall not be a  
02:58:06 5 tester determining abandonment under this paragraph?

02:58:07 6 THE COURT: Yes.

02:58:07 7 MR. WILLIAMS: Is that what you're referring to?

02:58:09 8 THE COURT: Yes.

02:58:10 9 MR. WILLIAMS: So we think that the intent  
02:58:16 10 should not be admissible for reasons, in addition to the  
02:58:20 11 existence of that sentence, and that is because the  
02:58:35 12 purchaser would always want to have -- if they're going to  
02:58:38 13 acquire something, walking along a beach and find something  
02:58:43 14 that's useful to them, they're going to say, It's great, and  
02:58:45 15 I like it, and I want to use it, and it's my intent to use  
02:58:48 16 it. And I kind of see that as being a bit like what this  
02:58:52 17 is.

02:58:52 18 They find a mark that they can assert as that as  
02:58:57 19 American Queen which was always marketed as a Queen. They  
02:59:00 20 decide somewhere along the line, you know, it's a little  
02:59:04 21 unclear when, that they want to mark it as American with  
02:59:08 22 emphasis on American.

02:59:09 23 And so they have sought to use it. And it's the  
02:59:12 24 boat that that mark was acquired a long time ago. I looked  
02:59:18 25 very carefully at the cases, including the ones that have

02:59:24 1 stretched this to the outer boundaries, the doctrine of  
02:59:26 2 abandonment, to minimize what is abandoned. So back sliding  
02:59:30 3 on the purpose, which is the declared purpose of Congress in  
02:59:33 4 the trade law, Trademark Reform Act, and there's no idea in  
02:59:40 5 any of that statute, but that it was intended to clear out  
02:59:43 6 the dead wood in the registry.

02:59:46 7 And so it should not, I think, in accordance  
02:59:50 8 with that purpose, be interpreted that anybody who sees an  
02:59:56 9 opportunity to acquire a previously-used mark can say, My  
02:59:59 10 intent to use it matters. What the cases have said is that  
03:00:03 11 the person of interest in the mark, the owner and the  
03:00:06 12 creditors, their intents matter.

03:00:10 13 And then the courts have expanded that to  
03:00:13 14 include, say, a trustee in bankruptcy, or in the case of the  
03:00:16 15 Mustang Ranch, the state that acquired it under a forfeiture  
03:00:21 16 statute. You know, and we don't disagree with that.

03:00:28 17 But to say that John Waggoner's intent mattered,  
03:00:31 18 but when he saw an opportunity to acquire this, along with  
03:00:34 19 artwork and other things for which he paid a very small  
03:00:38 20 amount of money matters, we think is contrary to the  
03:00:42 21 statutory purpose.

03:00:44 22 THE COURT: Okay. Well, I'm going to rule  
03:00:46 23 against you on this one.

03:00:48 24 MR. WILLIAMS: Okay.

03:00:48 25 THE COURT: So then we also have defendants' --

03:00:51 1 and I'm going to write an Order. It's mostly written  
03:00:55 2 already. But there are cases that basically seem to suggest  
03:01:07 3 totality of evidence doesn't really place someone on who's  
03:01:13 4 evidence it is. Obviously, somebody, say Ambassadors,  
03:01:20 5 could, I think, abandon the mark before John Waggoner ever  
03:01:25 6 comes around, but whether or not that happened here is a  
03:01:29 7 question of fact for the jury.

03:01:31 8 So I also have the cross motion.

03:01:34 9 MR. WILLIAMS: So that means that the evidence  
03:01:37 10 of that testimony is not affected by this ruling. It could  
03:01:43 11 still come in?

03:01:43 12 THE COURT: Yes. But then we also have the  
03:01:48 13 cross motion, which I really didn't understand, trying to  
03:01:53 14 say that Ambassador's statement of intent should be  
03:01:59 15 excluded.

03:02:01 16 MR. McGRAW: Statements of intent that may have  
03:02:03 17 been made, intent to say no longer use the mark that may  
03:02:07 18 have been made before they stopped using it, that's based on  
03:02:12 19 The Money Store case. And the case law --

03:02:13 20 THE COURT: But when you say I'm going to do  
03:02:15 21 something tomorrow. Then tomorrow comes, you say, I'm going  
03:02:18 22 to do something now. Doesn't logically when you say the day  
03:02:23 23 before count towards understanding what you meant on the  
03:02:27 24 next day?

03:02:28 25 MR. McGRAW: Well, logically it would, but under

03:02:30 1 the case law which says that there actually has to be  
03:02:33 2 non-use before any of those statements are actually relevant  
03:02:36 3 to whether there's abandonment.

03:02:39 4 THE COURT: All right. Well, I'm going to deny  
03:02:41 5 your motion, too.

03:02:44 6 MR. MURRELL: Your Honor, if I can, the  
03:02:46 7 statement you just made about why that would be relevant  
03:02:48 8 might apply to settlement letters.

03:02:50 9 THE COURT: Thank you. All right. So I  
03:02:55 10 probably have to go do these other people now, so why don't  
03:03:00 11 you all -- off the record.

03:03:00 12 (Discussion held off the record:)

03:03:22 13 THE COURT: I will take these things and try to  
03:03:24 14 get back here relatively soon, but I most likely won't be  
03:03:32 15 before 4:00.

03:03:32 16 (Hearing in chambers was adjourned until 4:36  
04:36:39 17 p.m.)

04:36:39 18 THE COURT: So I was going to just turn back and  
04:36:44 19 go through the rest of these motions in limine. Aside from  
04:36:49 20 that, is there things that I haven't brought up that you all  
04:36:53 21 want to discuss while you're here?

04:36:55 22 MR. MURRELL: No. I think the scope of direct  
04:36:57 23 was the only thing that we had other than I have a 7:30  
04:37:02 24 flight out of BWI tonight.

04:37:04 25 THE COURT: Okay. Well, you tell me: When

04:37:06 1 would you like to leave? I will make sure.

04:37:08 2 MR. MURRELL: 5:00.

04:37:08 3 THE COURT: 5:00.

04:37:08 4 MR. MURRELL: I have the impression that you've  
04:37:11 5 probably already decided on these, and you're just being  
04:37:13 6 polite.

04:37:14 7 THE COURT: Well, yes, I have something written  
04:37:16 8 down, and I've talked with my law clerk. And so I have, but  
04:37:22 9 if I really -- you know, I have other things to do than chat  
04:37:26 10 with you.

04:37:27 11 MR. MURRELL: Absolutely.

04:37:28 12 THE COURT: So when I'm sitting here listening,  
04:37:29 13 I am listening, and at least one thing has been said already  
04:37:33 14 that it's something I know I need to follow up on. So I'm  
04:37:37 15 not doing this just for sport.

04:37:40 16 MR. MURRELL: All right. We had just dealt with  
04:37:52 17 the statutory trademark on abandonment and our cross.

04:37:56 18 THE COURT: Yeah. So we were moving along, as  
04:38:16 19 Mr. Murrell just said, after abandonment.

04:38:22 20 So we have this thing about which has to do  
04:38:25 21 with, I guess, when the time starts --

04:38:29 22 MR. WILLIAMS: Yes, for non-use.

04:38:31 23 THE COURT: For non-use ends. And so there's a  
04:38:34 24 dispute over whether it's when -- I forgot who's here, but  
04:38:46 25 whatever party it is, started to sell services as opposed to

04:38:52 1 when they actually started putting people on boats and  
04:38:56 2 moving them around.

04:38:57 3 MR. WILLIAMS: Transporting passengers.

04:38:59 4 THE COURT: Transporting passengers.

04:39:00 5 MR. WILLIAMS: Being the service stated in the  
04:39:03 6 registration.

04:39:03 7 THE COURT: Right. So this is the plaintiff's  
04:39:10 8 motion.

04:39:11 9 MR. WILLIAMS: It was our motion, and I can just  
04:39:13 10 make this point in the sense it's a very small motion  
04:39:18 11 because while it addresses these provisions in the statute,  
04:39:21 12 what it really asks is to bar evidence of when these early  
04:39:27 13 sales -- they came back and said, You're trying to prevent  
04:39:30 14 us from putting evidence in about the fact that we sold  
04:39:33 15 tickets, you know, beginning sometime in the fall of 2011.  
04:39:42 16 And they didn't carry passengers until 2012.

04:39:45 17 So our point is that for purposes of the  
04:39:49 18 statutory interpretation, you know, the statute says, in  
04:39:51 19 connection with the services specified on the registration,  
04:39:55 20 and the law in the Third Circuit follows that, rather  
04:39:59 21 specifically the National Footwear case.

04:40:02 22 THE COURT: Right.

04:40:03 23 MR. WILLIAMS: So we're simply saying that they  
04:40:06 24 sold the tickets some time or another. It shouldn't be said  
04:40:09 25 when they sold the tickets or argued when they sold the

04:40:12 1 tickets until they carry the passengers. And that would  
04:40:17 2 have the effect, I believe, in creating that shift of the  
04:40:21 3 presumption that's in the statute.

04:40:23 4 THE COURT: So the Natural Footwear was about a  
04:40:27 5 mark for shoes. It didn't cover non-shoes; right?

04:40:32 6 MR. WILLIAMS: Right.

04:40:32 7 THE COURT: Isn't that kind of different than  
04:40:34 8 what we're dealing with here?

04:40:36 9 MR. WILLIAMS: Well, it has been understood, and  
04:40:38 10 there have been cases, and I think there's cases in our  
04:40:41 11 papers, and I can get into more detail here, that say that  
04:40:45 12 the Third Circuit very specifically follows the importance  
04:40:49 13 of the description in the registration.

04:40:53 14 THE COURT: Well, right. But that makes sense  
04:40:55 15 in shoes are not socks, but it doesn't mean that travel  
04:41:00 16 services are not travel services because they're being paid  
04:41:06 17 for as opposed to actually being delivered. I mean, they're  
04:41:12 18 two different -- isn't that -- I mean, it's --

04:41:16 19 MR. WILLIAMS: So they did not register for  
04:41:19 20 cruise services. They did not register for travel services.  
04:41:22 21 What they registered for was transporting passengers by  
04:41:26 22 steamers.

04:41:28 23 THE COURT: Okay. But so they are selling  
04:41:30 24 tickets to transport passengers by steamers; right?

04:41:33 25 MR. WILLIAMS: Right. So my point is, and I

04:41:36 1 think a more recent case than Natural Footwear is Couture  
04:41:40 2 versus Playdom. I think it's in our --

04:41:43 3 THE COURT: What is it called again?

04:41:44 4 MR. WILLIAMS: Couture, C-O-U-T-U-R-E versus  
04:41:50 5 Playdom.

04:41:50 6 THE COURT: All right.

04:41:52 7 MR. WILLIAMS: 778 F. 3d 1379.

04:41:56 8 THE COURT: Okay.

04:41:57 9 MR. WILLIAMS: And basically the Third Circuit,  
04:41:59 10 as I think properly both followed the statute and has  
04:42:06 11 pointed out and followed the jurisprudence that a trademark  
04:42:10 12 is, in essence, a monopoly, and it shouldn't be expanded.  
04:42:15 13 If you say transporting passengers, you don't mean services  
04:42:19 14 generally arranging cruises, marketing cruises, that kind of  
04:42:24 15 thing, which, frankly, is why others have chosen to describe  
04:42:31 16 the registration services more broadly. But that didn't  
04:42:35 17 happen here.

04:42:36 18 My point is -- it's sort of going back to the  
04:42:39 19 argument I was making earlier, Your Honor, about the fact  
04:42:41 20 that this was, in essence, sort of a shiny nickel that John  
04:42:46 21 Waggoner picks up on the beach, got for nothing, is now  
04:42:48 22 exploiting.

04:42:50 23 THE COURT: Okay. All right. Let's move on to  
04:42:55 24 plaintiff's last motion. Oh, so this is the one where  
04:42:58 25 you're saying claim preclusion is evidence preclusion?

04:43:05 1 MR. SIMMONS: Well, I'll take this one, Your  
04:43:08 2 Honor. In the 2011 lawsuit, affirmative defenses were  
04:43:12 3 raised and then are resolved by way of settlement. And  
04:43:16 4 those affirmative defenses included an encounter claim,  
04:43:20 5 included things like the fact that there were serial  
04:43:22 6 preemptive filings. All of that was dealt with in the  
04:43:26 7 context of the 2011 suit which was then settled.

04:43:29 8 Now, what we're doing is repackaging some of  
04:43:34 9 those allegations and defenses in the affirmative defenses  
04:43:37 10 in this case, and we're going to relitigate them in the  
04:43:41 11 guise of an unclean hands analysis. Now, depending on what  
04:43:44 12 Your Honor decides to do with the equitable issues, and I  
04:43:47 13 think --

04:43:48 14 THE COURT: I think I've already indicated what  
04:43:50 15 I was going do about or maybe you mean something different  
04:43:53 16 than me. I just thought -- keep going.

04:43:56 17 MR. SIMMONS: So the question will be if Your  
04:43:58 18 Honor says I'm dealing with the unclean hands claims, and  
04:44:02 19 there's going to be limitation of evidence that's going to  
04:44:05 20 be presented to the jury on those claims with respect to the  
04:44:08 21 unclean hands argument, our belief is Your Honor wants to  
04:44:14 22 look back at preemptive filings that were made at the time  
04:44:18 23 that the remarks were being obtained back in 2011. That's  
04:44:22 24 one thing.

04:44:22 25 But to present those to the jury, these are

04:44:24 1 issues that have already been ruled on, already been  
04:44:26 2 settled. Well, they haven't been ruled on. It was through  
04:44:30 3 a stipulation of dismissal.

04:44:31 4 THE COURT: So the general proposition what I  
04:44:42 5 got out of your motion was that you wanted to keep out  
04:44:47 6 evidence because the evidence had some relation to claims  
04:44:52 7 that were decided or could have been decided in the first  
04:44:56 8 case. But I didn't think that's the way claim preclusion  
04:45:02 9 works.

04:45:04 10 The serial filings he's talking about, that  
04:45:07 11 doesn't register much with me as something I saw in the  
04:45:10 12 motion, but it's been a while since I actually looked at it.  
04:45:13 13 Do you know what he's talking about?

04:45:15 14 MR. MURRELL: We do. It's a list. And what  
04:45:17 15 they attach in their motion was they took a list and took a  
04:45:21 16 30(b)(6) and asked for our evidence, either willfulness or  
04:45:24 17 unclean hands, and we brought a list to the 30(b)(6)  
04:45:27 18 deposition.

04:45:28 19 THE COURT: So the serial filings, is that  
04:45:30 20 basically only related to equitable issues?

04:45:33 21 MR. MURRELL: We believe it's -- no. We believe  
04:45:34 22 it's also relevant to intent. We have a claim of  
04:45:37 23 willfulness against them. So we think this is all relevant  
04:45:42 24 to whether they have willfully infringed by showing their  
04:45:45 25 anti-competitive behavior all along.

04:45:47 1 THE COURT: So, wait. So the serial filings are  
04:45:51 2 then serially -- who's doing the serial filing? They are.  
04:45:57 3 Okay.

04:45:57 4 Right. What is it they're serially filing?

04:46:00 5 MR. MURRELL: Everything that could go on a  
04:46:02 6 steamboat on the river. I mean, from --

04:46:03 7 THE COURT: You mean in terms of claiming  
04:46:05 8 trademarks?

04:46:07 9 MR. MURRELL: Claiming trademark registration.  
04:46:09 10 And it's our evidence that that was done with an intent to  
04:46:11 11 specifically harm American Queen Steamboat Company, that  
04:46:14 12 they were doing that as a blocking.

04:46:16 13 THE COURT: And the -- oh, I'm sorry. You go  
04:46:18 14 ahead.

04:46:18 15 MR. MURRELL: No. I'm sorry. That they were  
04:46:20 16 trying to block it so they could control it. And that their  
04:46:23 17 use then -- so when they do that, and then when we bring the  
04:46:28 18 American Queen on the river, their vessel was called Queen  
04:46:31 19 of the Mississippi. Didn't even have American in it.

04:46:33 20 After we go in and start doing well, then they  
04:46:36 21 have American Eagle they bring on the river, and American  
04:46:39 22 Song, and American everything else. Right.

04:46:41 23 They came to us, is our claim, and that they  
04:46:43 24 were doing all of this to harm us and drive us out of  
04:46:46 25 business so they could have essentially the monopoly.

04:46:48 1 That's their claim.

04:46:50 2 THE COURT: So how would you present this to a  
04:46:52 3 jury?

04:46:55 4 MR. MURRELL: We took the deposition of Mark  
04:46:56 5 Harrison, their trademark lawyer, and walked through the  
04:46:59 6 serial filings, and the fact that they were all subsequently  
04:47:01 7 abandoned. So we've already taken the deposition. I think  
04:47:07 8 the designation is probably 45 minutes of testimony max. It  
04:47:10 9 would be eating up our time.

04:47:12 10 THE COURT: Well, it would be eating up your  
04:47:13 11 time. I mean, I do have a question as to --

04:47:27 12 MR. SIMMONS: Your Honor, just one more minute  
04:47:29 13 with this. If you look back at the Complaint, the  
04:47:31 14 counterclaim that was filed in the original suit, not only  
04:47:34 15 were these raised as affirmative defenses, but they were  
04:47:38 16 also counterclaims against, in Paragraph 18, serial filings  
04:47:41 17 on these particular applications which is docket entry  
04:47:41 18 number six.

04:47:45 19 MR. WILLIAMS: What year?

04:47:47 20 MR. SIMMONS: 2011.

04:47:48 21 THE COURT: But that's not how claim preclusion  
04:47:51 22 works. The only reason I might keep it out is if I thought  
04:47:53 23 it was irrelevant or more likely that it was Rule 403 sort  
04:47:58 24 of material. And you know, that's not a decision I'm going  
04:48:04 25 to make today. But I think it's pretty likely I'm going to

04:48:08 1 be denying the sort of broad principle that I thought you  
04:48:12 2 were advancing in the motion in limine.

04:48:14 3 So American Queen. We're now on the defendants'  
04:48:23 4 three motions.

04:48:24 5 So you want to bar plaintiff from using the paid  
04:48:33 6 advertising to establish the strength of its mark. And I  
04:48:38 7 guess what we were wondering, what I was wondering is  
04:48:50 8 there's going to be a lot of evidence about the strength of  
04:48:52 9 the mark, isn't there?

04:48:58 10 There's going to be expert testimony. There's  
04:49:00 11 going to be things about consumer awareness. There's going  
04:49:04 12 to be marketplace recognition. There's even going to be  
04:49:13 13 just advertising ahead which is --

04:49:19 14 MR. MURRELL: This is, though, their wanting to  
04:49:21 15 introduce evidence of us doing paid advertising for their  
04:49:26 16 marks. So they did this as well to us. We have claims for  
04:49:32 17 that, and those claims were bifurcated from this trial.

04:49:35 18 And so we're saying -- because we could -- if  
04:49:38 19 you say it's coming in, we would put in our evidence of  
04:49:40 20 their doing paid search terms as well. It's just we thought  
04:49:44 21 this was being streamlined, and that was out.

04:49:46 22 THE COURT: Well, so one of the things that's  
04:49:50 23 going to be in is what consumers actually do in terms of  
04:49:53 24 what they type in to search for; right?

04:49:55 25 MR. MURRELL: Right.

04:49:55 1 THE COURT: So isn't that much more germane to  
04:50:06 2 the strength of the mark?

04:50:08 3 MR. SIMMONS: We believe so.

04:50:11 4 MR. MURRELL: We don't think it is. We don't  
04:50:12 5 know. We don't know exactly what they're searching for when  
04:50:14 6 they're searching for American Cruise Lines.

04:50:17 7 Is it for the plaintiff, or is it for something  
04:50:19 8 else? That's one you can't just look at these records in a  
04:50:21 9 vacuum and --

04:50:22 10 THE COURT: But all of what you're trying to do  
04:50:26 11 is to show that they are aware that a lot of people search  
04:50:29 12 for American Cruise Lines or vice versa, whoever; right?

04:50:33 13 MR. MURRELL: Right. But it's not that  
04:50:35 14 evidence. It's the evidence where they're trying to make us  
04:50:38 15 look bad because we paid at a point in time for the right of  
04:50:43 16 someone to put in, you know, American Cruise Lines to have  
04:50:46 17 our ad pop up. That's what we meant by paid search terms.

04:50:49 18 And they did the same thing on ours. And that's  
04:50:52 19 what we're talking about with paid search terms. We're not  
04:50:55 20 talking about the testimony of Peter Kent of people doing  
04:50:58 21 searches and things popping up. We're talking about  
04:51:01 22 competitive behavior of both parties. Those are separate  
04:51:03 23 claims.

04:51:03 24 THE COURT: So hold on a minute. So it is true  
04:51:05 25 what Mr. Murrell has said like three times, so that makes it

04:51:08 1 mean it has to be true, that this is sort of common business  
04:51:14 2 practice to pay for this sort of thing, right, and something  
04:51:20 3 that both parties have done?

04:51:24 4 MR. SIMMONS: But it's, also, Your Honor, what  
04:51:28 5 were the parties' knowledge at relevant periods of time in  
04:51:32 6 2011 when Great American Steamboat Company was paying for  
04:51:38 7 ads to pop up based on search terms? What were they paying  
04:51:42 8 for?

04:51:42 9 They were paying for their ad to appear on  
04:51:45 10 American Cruise Lines. It's not that it's wrongful, but  
04:51:48 11 what was it that was driving traffic? What was it that was  
04:51:50 12 driving consumer attention to their products and services?  
04:51:54 13 And that started in 2011, and it continues through today.

04:51:57 14 And that shows -- and it's the order in ranking  
04:52:01 15 of the returns on those keyword searches if you looked at  
04:52:05 16 the exhibit that was attached.

04:52:07 17 THE COURT: So what is this? This is relevant  
04:52:11 18 to the strength of the mark; right?

04:52:14 19 MR. SIMMONS: Strength of the mark. And what  
04:52:15 20 was driving consumer attention to Great American Steamboat  
04:52:20 21 Company, and ultimately, American Queen Steamboat Company's  
04:52:23 22 advertisements? It was American Cruise Lines.

04:52:26 23 The strength of that was appearing in the top  
04:52:28 24 one or two of every one of these paid searches. So when  
04:52:32 25 someone would type in the exact words --

04:52:35 1 THE COURT: But whether it appears in the top  
04:52:38 2 one or two, can't you say that without saying, And they paid  
04:52:43 3 to put their ads near this?

04:52:46 4 MR. SIMMONS: But what other evidence is there  
04:52:48 5 in the case that, you know, it's the traffic reports that --

04:52:51 6 THE COURT: But don't you have your own traffic  
04:52:54 7 reports?

04:52:56 8 MR. McGRAW: Yes, they do.

04:52:56 9 MR. WILLIAMS: Not their mark.

04:52:57 10 THE COURT: Right. But who cares whose traffic  
04:53:00 11 report it is to prove that it's popular, that it appears at  
04:53:05 12 the top of the list?

04:53:08 13 MR. NACCARATO: It would show their use of  
04:53:09 14 American Cruise Lines' name because it had such a good  
04:53:13 15 benefit. It would show their belief in the strength of our  
04:53:15 16 mark.

04:53:17 17 THE COURT: But what is the importance of their  
04:53:19 18 belief in the strength of your mark? Isn't that question,  
04:53:21 19 what is the strength of your mark?

04:53:23 20 MR. NACCARATO: Correct. Their belief adds to  
04:53:28 21 that, the strength of the mark. It's a competitor that uses  
04:53:31 22 your mark, but --

04:53:33 23 THE COURT: But you also use theirs; right?

04:53:36 24 MR. NACCARATO: Correct.

04:53:37 25 THE COURT: So what have we proved here?

04:53:42 1 MR. NACCARATO: We only use the mark for a very  
04:53:45 2 short period of time. It was of no benefit. It was not  
04:53:48 3 strong.

04:53:49 4 THE COURT: Okay. All right. So I think it's  
04:53:52 5 likely I'm going to exclude that.

04:53:57 6 All right. We've got -- oh, we've got old ACL,  
04:54:03 7 and I don't understand -- I guess I'm directing this at the  
04:54:07 8 plaintiff. I don't understand what the fact that some other  
04:54:09 9 company existed back in the 1980s or whenever exactly we're  
04:54:15 10 talking about, it was called American Cruise Lines, the  
04:54:19 11 business, how that's relevant to anything.

04:54:22 12 MR. NACCARATO: Well, old American Cruise Lines  
04:54:24 13 is part of Charlie Robertson's story. Charlie Robertson --

04:54:27 14 THE COURT: Well, so saying it's part of  
04:54:31 15 someone's story, part of what I get to do as judge is edit  
04:54:36 16 people's story to keep out the irrelevant parts.

04:54:41 17 MR. NACCARATO: Charlie Robertson, when he  
04:54:42 18 started at American Cruise Lines in 1973, his first boat was  
04:54:48 19 called the American Eagle. And he also had a boat called  
04:54:50 20 America.

04:54:50 21 He's being sued in this case for using those  
04:54:53 22 names, and he's been accused of willfulness in using those  
04:54:56 23 names.

04:54:57 24 THE COURT: But isn't it the case that we're not  
04:54:59 25 going to see that these boats are -- that you have priority

04:55:02 1 because of these 1973 things; right?

04:55:05 2 MR. NACCARATO: No, there's no priority. It  
04:55:08 3 goes to Charlie's state of mind, the reason why he chose  
04:55:11 4 those names. He has a history of those names. He has a  
04:55:15 5 history on the Mississippi River, and planning itineraries,  
04:55:18 6 and conducting cruises. So American Cruise Lines, coming  
04:55:21 7 back to Mississippi River, doesn't demonstrate copying off  
04:55:26 8 of defendants, be it naming vessels, be it planning  
04:55:26 9 itineraries.

04:55:31 10 The old American Cruise Line, the names of the  
04:55:33 11 vessel, the cruise line, and even the advertising, the  
04:55:37 12 advertising elements were carried forward with the new  
04:55:41 13 entity.

04:55:41 14 THE COURT: But so what you want to do is  
04:55:44 15 present all this evidence that he had these things in the  
04:55:47 16 past, which has no legal relevance to who's got priority  
04:55:53 17 now. It seems pretty confusing for no good point.

04:55:58 18 MR. NACCARATO: It goes -- Charlie Robertson was  
04:56:05 19 a pioneer in the industry.

04:56:07 20 THE COURT: Well, so you can say he was a  
04:56:08 21 pioneer in the industry, and I think you can say he was  
04:56:11 22 doing cruises on the Mississippi. I don't think they're  
04:56:13 23 going to object to like what his life story is, but the  
04:56:16 24 very -- you know, you want to start in 1973 in terms of what  
04:56:20 25 his state of mind is, I'm kind of thinking, you know, I

04:56:25 1 really don't want to try 45 years of history.

04:56:28 2 MR. NACCARATO: When he's asked when did he  
04:56:30 3 first use the name American Eagle for a vessel, he should be  
04:56:33 4 able to testify that he used it in 1973, and that he used it  
04:56:38 5 again in 1999 when he restarted the company.

04:56:41 6 THE COURT: But why?

04:56:42 7 MR. NACCARATO: Because he's being sued for  
04:56:44 8 using it.

04:56:44 9 THE COURT: Yeah. Yeah, but the only time it's  
04:56:46 10 relevant is 1999; right?

04:56:50 11 MR. NACCARATO: No. He has a history of using  
04:56:53 12 it.

04:56:54 13 MR. WILLIAMS: The third time.

04:56:55 14 MR. NACCARATO: It's the third time he's used  
04:56:57 15 the name. He's being alleged to have purposely changed the  
04:57:00 16 name of one vessel to this historic name that he's used for  
04:57:03 17 decades on a vessel.

04:57:09 18 THE COURT: All right. Well, I understand.

04:57:11 19 MR. NACCARATO: It is a factor, the Lapp factor  
04:57:13 20 for infringement.

04:57:13 21 THE COURT: Yeah, but I don't think something  
04:57:15 22 that happened in 1973 is very germane to intent in whatever  
04:57:22 23 the relevant time period is here. And I do think it's an  
04:57:27 24 incredible sideshow to explain that it's only offered for  
04:57:36 25 his state of mind and 30 years later or, what, 40 years

04:57:41 1 later, whatever it is we're talking about.

04:57:43 2 So I think I'm probably going to be excluding  
04:57:46 3 that. And in fact, probably going to exclude any reference  
04:57:51 4 to American Cruise Line having existed by that name before  
04:57:57 5 the one that's at issue in this case.

04:58:02 6 So trying to get Mr. Murrell out of here in a  
04:58:06 7 few minutes. So the defendants' last one, as I recall, is  
04:58:15 8 this the one where you incorporated by reference a whole  
04:58:18 9 bunch of other stuff and expected me to do something with  
04:58:21 10 it?

04:58:22 11 MR. MURRELL: This is the expert related.

04:58:23 12 THE COURT: Yes.

04:58:24 13 MR. MURRELL: It's the expert motion. I think  
04:58:26 14 you've ruled on the prior issue which was the cumulative  
04:58:30 15 nature. And I think they've agreed to not present claims,  
04:58:33 16 present testimony as to the deferred claims, so I think  
04:58:37 17 we're good on that.

04:58:38 18 THE COURT: Okay. All right. Okay. So it's  
04:58:49 19 just about 5:00. I guess I've addressed a few problems or  
04:58:57 20 probably addressed one or two concerns.

04:58:59 21 There will be an Order on these motions in  
04:59:01 22 limine fairly soon. And so we have the various things  
04:59:08 23 Mr. Kraftschik is going to document in an Order.

04:59:14 24 MR. KRAFTSCHIK: To be clear, Your Honor, I take  
04:59:16 25 it just kind of procedural --

04:59:18 1 THE COURT: Yeah. Yeah. I'm not expecting you  
04:59:20 2 to be my motion in limine scribe, but thank you for asking.

04:59:24 3 Would you like that job?

04:59:25 4 MR. KRAFTSCHIK: I'm busy enough as it is, Your  
04:59:28 5 Honor. Thank you.

04:59:28 6 THE COURT: All right. Just checking.

04:59:30 7 All right. So right now the way things are  
04:59:34 8 scheduled is I have no plans to see you until the Thursday  
04:59:38 9 before trial. But as I said, if either of you all think  
04:59:44 10 that you ought to be seeing me, let me know. I've got time.  
04:59:48 11 If for some reason or another, I think I need to see you, I  
04:59:51 12 will let you know --

04:59:52 13 MR. MURRELL: All right.

04:59:53 14 THE COURT: -- and we'll deal with it.

04:59:54 15 MR. MURRELL: Very good.

04:59:55 16 THE COURT: Well, thank you for your time this  
04:59:56 17 afternoon. Sorry we didn't have more time. We'll be in  
05:00:04 18 recess.

05:00:05 19 (Everyone said, Thank you, Your Honor.)

05:00:05 20 (Pretrial conference hearing was concluded at  
05:00:05 21 5:00 p.m.)

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